

The NATIONAL UNDERWRITER

AUTOMOBILE AND AVIATION NUMBER

AMERICAN AUTOMOBILE INSURANCE COMPANY

BROADEST FORM COMPREHENSIVE CONTRACTS AUTOMOBILE AND GENERAL CASUALTY

Owners', Landlords', and Tenants'
Workmen's Compensation
Comprehensive Liability
Personal Liability
Automobile
Burglary

Elevator

Owners' and Contractors' Protective
Manufacturers' and Contractors'
Employers' Liability
Garage Liability
Contractual
Products

Glass Damage

NATIONWIDE BRANCH OFFICE FACILITIES

ATLANTA • BALTIMORE • BOSTON • CHICAGO • CINCINNATI • CLEVELAND • DETROIT • INDIANAPOLIS
KANSAS CITY • LOS ANGELES • MILWAUKEE • MINNEAPOLIS • NEW ORLEANS • NEW YORK
PHILADELPHIA • PITTSBURGH • PORTLAND • ST. LOUIS • SAN FRANCISCO • SEATTLE

ORGANIZED 1911 • SAINT LOUIS

FRIDAY, APRIL 19, 1946



The Bank and Agent Auto Plan . . In Action

READY FOR YOU and your Local Board

The 16mm. sound and color motion picture, "The Bank and Agent Auto Plan In Action", takes you into banks that have been successfully operating automobile financing plans for from 5 to 10 years. It gives facts about individual bank organizations, discusses methods, discloses results.

Produced by the Aetna's Motion Picture Bureau in co-operation with the National Association of Insurance agents and banks in various cities, "The Bank and

Agent Auto Plan in Action" points out worth-while new business opportunities for both agents and banks in all parts of the country.

If this film has not been shown in your community, arrange for a showing now — before the growing volume of automobile business is diverted into other channels. Prints are available to all agents, of all companies. Simply forward your request to the Secretary of your State Association.



AETNA CASUALTY AND SURETY COMPANY

Affiliated with Aetna Life Insurance Company
Automobile Insurance Company — Standard Fire Insurance Company

HARTFORD



CONNECTICUT

III. U. S.
under Act

XUM

In ta
nati
dents
vailing
settl
there
recent
velopm
should
looked
Over
years,
actmen
creasim
states
m or
type
sponsil
the rec
which
unitary
ity inst
and m
to take
ing of
ent tha
the pu
to buy
protect
dire p
sured
then at
the cro
the inc
either
and co
lishmen
by the
who ar
chase i

Two V

The
measu
One is
titude
and wh
in con
viding
abled
This h
writing
years a
able ri
is the
assign
presen
their r
on. I
the ag
will be
mum
Each
which
sume t
proxim
tory, a
that v
sound

Con
crease
not on
tighter
promo
their p
well st

Befo

F

Stock
Stock
Stock
Mutual
Recipro

Total

Assigned Risk Plans and Underwriting Questions

Adequate Classification Needed

In taking stock of the present rate situation in view of the increase in accidents and the prevailing high cost of settling claims, there are certain recent collateral developments which should not be overlooked.

Over the last few years, since the enactment by an increasing number of states of the much more stringent type of safety responsibility law, the requirements of which are most readily met by the voluntary purchase of an automobile liability insurance policy, it has become more and more necessary for the companies to take a broader view in the underwriting of their business. It must be apparent that the industry cannot proclaim to the public, yes, in fact urge the public, to buy automobile liability insurance to protect itself ahead of time from the dire possibilities which face the uninsured motorist under these laws, and then attempt to write only "the cream of the crop." Such a policy, if pursued by the industry, would bring in its wake either a demand for repeal of the law and compulsory insurance or the establishment of some means, possibly even by the state, so that automobile owners who are licensed and who desire to purchase insurance will be taken care of.

Two Ways of Meeting Problem

The situation has been met in a large measure by the companies in two ways. One is the more liberal underwriting attitude which the companies are taking and which they have publicly proclaimed in connection with the problem of providing insurance for the physically disabled yet qualified automobile driver. This has involved the sacrifice of underwriting prerogatives which only a few years ago were regarded as the indisputable rights of the companies. The other is the voluntary adoption of automobile assigned risk plans. These plans are presently in effect in over 20 states and their number will increase as time goes on. It is a foregone conclusion that in the aggregate the effect of these policies will be to require a higher level of premium income over the business at large. Each additional sub-standard risk on which a \$5,000 loss is incurred will consume the loss portion of the rate for approximately 500 risks in a \$20 rate territory, and of 250 risks in a \$40 rate territory. And yet it goes without saying that what the companies are doing is sound public policy.

Consequently, in this period of an increase in accidents, the companies are not only confronted with the fact that a tightening up on underwriting will not promote more pleasant relations with their producers, but, in addition, it may well start trouble in another direction.

Before considering the measures that



A. E. Spottke

By A. E. SPOTTK
Auto Manager National Bureau of Casualty & Surety Underwriters

will have to be taken to enable the companies to function on a sound basis in the face of these developments, let us consider briefly one especially pertinent angle of the operation of automobile assigned risk plans. Under these plans, the insured pays the manual rate charged by the company to which he is assigned plus an additional charge, usually 15%, which is made to compensate the producer of record. When we allow for the

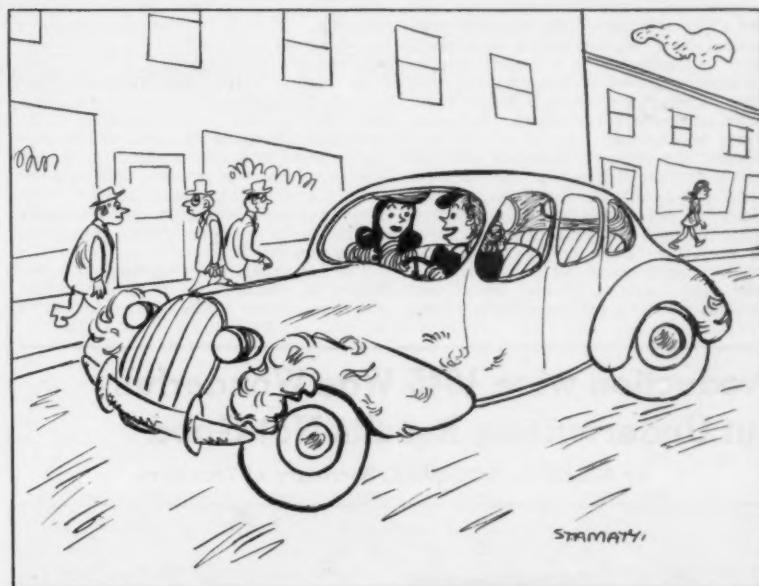
it would seem, which will eliminate a source of possible criticism of the operation of assigned risk plans, is in an adequate system of classifications under which all risks with clear records, but of a kind that is known to be extra hazardous, will be rated accordingly by the manual used by the company and not by placing some of these risks in an assigned risk plan. A system of adequate classifications will not only remove the

automobile assigned risk plans will cooperate with insurance companies where the latter request reexamination or reclassification of prospective insured. Nothing should be left undone to drive home on every occasion the fact that the authorities have a responsibility and an obligation to the law-abiding public and to the careful motorist which far exceeds that of the only too often misplaced sympathy for the accident repeater and the chronic traffic law violator. The public spirited action, involving annually the expenditure of great sums of money on the part of the insurance companies, in safety promotional work and accident prevention entitles the companies to be heard and to press for more effective control of automobile operators where the record shows this to be necessary.

There is every indication that the volume of automobile liability business on the books of the companies today is greater than ever. This is definitely so in terms of units of business and apparently also holds on the basis of premium dollars. More exacting safety responsibility laws in such states as New York, Indiana, Illinois, Minnesota, Nebraska, Virginia, Wisconsin and Oregon have played their part. In addition, money has been plentiful, people have more at stake and a better appreciation of the value of insurance, and the rates have been attractive. Commodities in general are selling above prewar prices. Insurance is a notable exception.

In gauging their post-war rate requirements, the companies have placed motorists on their "good behavior" during what might be regarded as a probationary period. They have considered this a sound policy to pursue, certainly up to this point, in view of the history of the last few years. That they have been correct in this so far as relations with their insureds and producers are concerned is shown by the almost universal absence of criticism or complaint about automobile insurance costs. In other words, public relations are exceptionally good and when one recalls the situation about a decade ago, this is an accomplishment. It is, therefore, no wonder that the companies have been pondering seriously the conditions which have confronted them over the past several months during which the accident record has taken such a bad turn.

Viewed in the abstract, it is not too difficult to prognosticate what would in all likelihood be a safely adequate rate, but when the question is considered with due regard for its practical implications, such as retaining the good will of the insured—including the new insured in the safety responsibility states—the possible effect of steps already taken and to be taken in an effort to counteract the growing accident toll, the time it will take drivers to regain their prewar skill and driving sense, the effect of replacing more and more old cars by new models, we have some of the imponderables which play a contributing part. It is a complex problem and it is inevitable under the circumstances that time has been consumed in reaching a decision.



"MY HUSBAND INSISTS IT'S MORE THAN COINCIDENCE THAT AUTO INSURANCE RATES WENT UP RIGHT AFTER I BEGAN DRIVING AGAIN, LAST MONTH."

fact that the assigned risk is, for reasons of actually greater hazard, not entitled to insurance at the company's manual rates, and that the producer of record is entitled to compensation for the work and services he performs on the theory that "the laborer is worthy of his hire," we cannot quarrel with this procedure.

But the rub is in the questions: Is the risk assigned for reasons of actually greater hazard? Or is it assigned because of a whim or fancy of the underwriter, or because he believes the risk on account of age and perhaps source of the account, or the occupation—though perfectly legitimate—will not be satisfactory? These are sound reasons, based on many instances of actual experience, for regarding a risk as more hazardous solely because of age or occupation. But the question can nevertheless be raised very properly, is it sound practice and is it not discriminatory to place some of these risks under an assigned risk plan but not others like them? The remedy,

possibility of any charge of unfair discrimination, but it will produce a balanced premium for the companies, charge rates according to what the traffic should bear and promote a good company and producer relationship. Furthermore, the functioning of assigned risk plans will be above criticism, which is very important, as we can expect closer scrutiny of the results under these plans as more are adopted and as we move into a period of higher rates. There is another angle to the problem concerning the risk with a questionable operating record which is not to be overlooked. The primary responsibility for passing on motor vehicle owners and operators who are sub-standard as measured by their actual operating record rests with the state motor vehicle authorities. There is a growing recognition of responsibility on their part but, unfortunately, a great deal more will have to be accomplished in this direction. However, most states which have

FIVE YEAR AUTOMOBILE INSURANCE EXPERIENCE EXHIBIT

	1945					1944					1943					1942					1941				
	Net Premises	% of Total	Increase in Premises	% Increase	Losses Paid	Loss Ratio	Net Premises	% of Total	Loss Ratio	Net Premises	% of Total	Loss Ratio	Net Premises	% of Total	Loss Ratio	Net Premises	% of Total	Loss Ratio	Net Premises	% of Total	Loss Ratio				
Stock Casualty	318,104,840	39.4	37,853,684	13.5	134,016,511	42.1	280,251,156	40.9	40.7	248,727,998	40.1	40.6	292,562,378	42.4	43.3	293,198,264	35.2	45.5							
Stock Full Cover.....	69,352,047	8.6	11,745,490	20.4	30,792,338	44.4	57,606,557	8.2	39.6	52,158,638	8.4	33.6	51,532,661	7.6	42.1	56,038,091	6.7	44							
Stock Fire	171,410,403	21.2	28,702,291	20.1	97,884,000	57.1	142,708,112	20.9	54.5	133,120,185	21.5	47.7	144,727,017	20.5	76.7	27,010,601	33.2	50.6							
Mutuals	194,534,719	24.0	35,507,237	22.3	81,168,866	41.7	159,027,482	23.5	39.9	144,068,165	23.3	35.3	161,909,505	23.2	40.1	162,477,970	19.5	41.7							
Reciprocals—Lloyds	54,768,967	6.8	10,257,114	23.0	26,441,877	48.2	44,511,853	6.5	43.8	41,510,380	6.7	36.1	43,496,450	6.3	42.1	44,456,300	5.4	45.7							
Total	808,170,976	100	124,065,816	18.1	370,303,592	45.8	684,105,161	100	43.3	619,585,366	100	40.0	694,228,011	100	49.6	833,181,226	100	46.4							

New Plan for Handling Experience

By W. D. HALL

N. A. U. A. Method Would Be Quicker, More Accurate

We stand at the threshold of a new era in the insurance business. We are confronted not only with forces that are affecting business in general, but a whole series of events which affect the insurance business alone. The present phase of that series of events is the enactment of many new rating laws. There is every evidence that this phase will continue until all states have enacted such laws.

Almost without exception, these laws require the reporting of classification experience; and this we must meet in addition to the previous needs for such experience.

In discussing this matter, let us consider first the need for adequate experience; second, the limitations of the present method; and, third, the new plan. Before going ahead with the discussion, I would like to mention two points—first, that my discussion is confined to the loss statistics as distinct from the expense factors of the automobile physi-

Mr. Hall in the following article presents in detail the proposed new method of collecting and analyzing figures on the experience of insurers with automobile physical damage coverages. Agents and others in the industry will be interested in this means of more quickly and accurately reflecting in rates the trends in experience.

Mr. Hall has been actuary of the National Automobile Underwriters Association since 1934. He is a graduate of the University of Michigan and served as assistant actuary of Mutual Trust Life 1921 to 1923. He holds a certificate for completion of the course of study prescribed by the actuarial department of the University of Michigan. In 1924 he became assistant statistician of the National Bureau of Casualty & Surety Underwriters, in 1926 statistician of the Western companies of Kansas and in 1929 went with the D. F. Broderick companies, becoming vice-president and treasurer.

cal damage coverages only; and, second, that the opinions which I may express must be considered my own and not necessarily representing the view of the National Automobile Underwriters Association.

Need for Figures

Coming now to the need for adequate experience, figures are needed in all business. This is especially and peculiarly true of the insurance business because of its nature. Here the problem of pricing our product is unusual and difficult, because we price our service before we render it.

The need for cooperation between insurance companies in doing this job has long been recognized. In fact, in the constitution of the National Automobile Underwriters Association, we find listed among other purposes, One: "To collect and analyze experience statistics;" Two: "To prescribe and promulgate rates . . .

The duties of the automobile association's officers and employees place them in a position of knowing intimately the demands made upon the business by the various state insurance departments. We are called upon to make rates, to file rates, to appear as witnesses at hearings, to justify what we are proposing. Therefore, it seems to me that the development of a plan for collecting the experience for this purpose is a logical and proper function of the National Automobile Underwriters Association.

The job of rate-making really involves the forecasting of future events. This is an age-old riddle, and we can go back into history as far as we like and find attempts at the forecasting of future events. We have the prophets of Bible times, the oracles of Ancient Greece, the soothsayers such as Merlin of King Ar-

thur's time, the witches of Shakespeare, and in our own colonial New England, the magicians, the sorcerers, the astrologers, and finally, down to the present day palmists, crystal-gazers and tea-leaf readers. I am sure all of us have seen the rhymed prophecies of Nostradamus, who lived in the 16th century. In fact, they say he predicted the death of Hitler. I have not heard yet that he predicted the atomic bomb, but no doubt he did.

There is little evidence that business men have ever used the services of these forecasters. Early in the 16th century, the merchants of Antwerp used the services of astrologers. There was one by the name of Kurz who apparently was quite a business man. His specialty was the predicting of the prices of pepper, ginger and saffron. It was said that he was surrounded with work as a man in the ocean with water. Wherein he had something in common with the present-day accountant.

Modern business men do not publicly consult fortune-tellers for the answers to business problems; but I have heard it said that some do it privately. In fact, during the past few years when we have had very, very little in the way of experience figures and yet have had to make rate changes, I, too, have been tempted to visit a fortune-teller. I have

hesitated because a prediction that might completely convince me, might fall flat with an insurance department.

Thus, I think we come to the nucleus of our problem, which is the determination of rates based upon a foundation of facts and judgment that is acceptable to, first, the companies using the rates; second, the public authorities approving the rates; and last but by no means least, the public paying them.

The methods of foretelling the future as I have previously outlined have no scientific standing and must be ruled out for our purposes, though they are very interesting to many people.

We come now to the theory of probability which does have some scientific standing. It can be approached from two different viewpoints—the philosophical, and the mathematical. Of the first, Arne Fisher in his "Mathematical Theory of Probability" says: "Everything that happens and everything that exists necessarily happens or exists as the consequence of a previous state of things. This law cannot be proven. Though the strongest disbeliever of the law may deny it is true in theory, he invariably applies it in practice during his daily occupation in life."

The mathematical approach to the theory of probabilities is really divided into two parts. The first is the "a

priori" method, meaning a deductive method of reasoning. This is from the nature of the case beforehand, without reference to actual observation. The second is the "a posteriori," or after the fact, a calculation made by the aid of previous observations.

The first one was really the first one to be considered in the development of this branch of mathematics. It largely was developed to meet the questions of gamblers. It has to do with such things as flipping coins, throwing dice—things of that nature. I do not believe it would be well for me to go into that phase of the subject, for perhaps some of you may have encountered dice that violated the law of averages. Possibly they were illegal dice.

Statistical Frequencies

We have, then, the "a posteriori" method which in problems such as we have in business is the most practical method. There are many factors entering into the future that are immeasurable. We know they are there but we cannot get to them. The "a posteriori" method is really a study of statistical frequencies. An authority on the subject says this: "Frequencies when treated with the necessary precautions may be of great practical value when we are dealing with large numbers of facts of the same kind."

In our business it is generally conceded that a record of the past experience is a very useful, not to say indispensable, aid in rate-making. Judgment must always be used, but the use of judgment alone where facts are readily obtainable is not sound. In the beginning of a new coverage or a new form of insurance, rates are necessarily pure judgment; but as the business develops and experience is accumulated, facts should replace judgment wherever possible.

The rating system for a given line of insurance, as set forth in a manual, to a very large extent determines what shall be recorded in the way of experience statistics. The hazard variations reflected in the rate variations were first established by judgment, but later should be adjusted to the experience indications.

Why Method Is Good

This procedure is especially useful in automobile insurance because of its peculiar nature. First, it is subject to rapid change; second, the property insured is highly standardized; third, its life is relatively short; fourth, the floating nature of the property; and, fifth, its very widespread use. Annual reports of experience are not sufficiently frequent to measure trends which must be considered promptly if we are going to keep pace with them. This feature will be discussed later in connection with the new plan.

The views of two well-known authorities might be of interest. Ralph H. Blanchard said in November, 1943: "The extent to which opinions rather than facts rule the business is a matter of common observation. It would be the function of research to build up a body of significant statistical data, to study specific problems, to replace impressions with factual conclusions, maintaining at all times a scientifically critical attitude."

Former Superintendent Louis H. Pink of New York said in November, 1942: "We in New York and other states have taken the position that the company organization should do the statistical work which is necessary and propose the rates; and that the Insurance Department should pass on it. While this method is perhaps slower in accomplishing the necessary rate adjustments than

(CONTINUED ON PAGE 23)



A. R. Goodale

Production-wise 1945 Was Wonderful, but Underwriting Results Not Good

By ALLEN R. GOODALE, Secretary of Travelers

The year 1945 was a very unusual and active one in the automobile insurance field because it was a year of opposites.

Productionwise, it was a wonderful year, many companies putting on their books a record or near-record number of new risks. When we look at underwriting results, however, the picture is definitely not good. Overall, casualty and physical damage combined, there were substantial underwriting losses. The bodily injury loss ratio by itself in 1945 may have shown a slight profit, but the experience trended sharply upward, especially during the last three months of last year, and it is continuing to rise during the early months of this year. Property damage produced a considerable underwriting loss which more than offset any gain on bodily injury. The physical damage lines, especially collision, were very unprofitable.

Accidents Near All-Time High

Loss ratios in general are rising because of the increased cost of living and because of the high price of labor and parts in connection with automobile repairs. Higher average claims reflect these conditions. The motor vehicle death rate mounted approximately 37% from V-J Day until the end of the year and soared to 49% in January of this year over the same month in 1945 and to 45% over February 1945. Since there is a fairly static ratio of bodily injury and property damage accidents to fatalities, it is obvious that the total number of such accidents is near its all-time high.

From the standpoint of production and premium writings, we believe this year will be good. There should be a further gain in the number of risks and premium

volume should rise substantially, reflecting the increased rates of 1945 and 1946.

A fair number of new cars is beginning to appear for insurance. The average premium for a new car for casualty and physical damage, including collision, is about \$90. This should have a favorable effect on the premium volume, particularly on comprehensive and collision. These average premiums are examples of what may be expected under the bank and agent auto plan. The wide publicity being given this plan by producers, banks and insurance companies will be a material contribution to the success of the plan. It is fortunate that there has been time to do preliminary work with respect to the plan thereby making certain that its availability will be well known to the one designed to be attracted to it—the buyer of the new car. When new car production really gets underway, we believe this plan will produce very satisfactory results.

The loss ratio outlook for 1946 is not good. The increase in the operation of cars, the continued old age of cars on the roads, tendency to high speeds, all indicate a mounting number of accidents. Losses by theft will probably increase under the influence of the expected crime wave which follows every major war. J. Edgar Hoover, director of the F.B.I., reports a 38% increase in automobile thefts during October, 1945, over October, 1944. Moral hazard losses are expected to go up as the value of used cars shrinks.

The business on the companies' books written at wartime rates produces inadequate premium in the light of present conditions and it is almost certain that 1946 will produce an underwriting loss. Right now, the automobile line is in the middle of a storm. The business, however, was profitable during the war years and prior thereto; it will be profitable again in the not too distant future.

The private passenger classification rating plan for bodily injury and prop-

(CONTINUED ON PAGE 23)

Safety Will Be Chief Auto Insurance Problem of Next Five Years

By GILBERT L. KERR
Secretary, Fidelity & Casualty

The very substantial rise in motor vehicle fatalities and injuries since V-J Day has brought to the insurance industry uncertainties which are fraught with economic perplexities. Public officials who have the responsibility of licensing drivers as well as the job of preventing accidents face a Herculean task which not only involves the economic welfare of our people but the preservation of human life itself.

Let's take a look at the record.

During the last three months of 1945 the bodily injury accident frequency was up about 32% over the same period in 1944. The property damage frequency was up approximately the same percentage. Motor vehicle deaths for January, 1946, were 49% greater than in January, 1945. In January, 1945, 2,010 people lost their lives as a result of automobile accidents. In January, 1946, 3,000 lives were lost. The trend in February and March of 1946 is still upward. The average cost of settling bodily injury, property damage and material damage losses is very substantially higher than in 1941.

Reasons for Rise

There are a number of reasons for the increases in automobile accidents. Among them are the following:

1. Cars are old. The number of mechanical and rubber failures is rising rapidly. When the gasoline rationing restrictions were removed, and to some extent even before that, people were driving too fast. Too great a speed often is the cause of an accident and certainly has an important bearing on the extent of the damages and injuries.

2. A great many people did not drive during the war or drove much less than formerly and as a consequence are rusty. This may have considerable bearing on judgment, and misjudgment is one of the chief causes of accidents.

3. Drivers who became accustomed to very little traffic congestion during the war years have not yet realized that the other fellow is back on the highway and is not looking for him at traffic intersections.

4. During the five years ended with 1943 young drivers 15 to 24 years of age were involved in traffic accidents which killed 27,170 persons and injured 1,311,000. The problem of the young driver includes some veterans who are having readjustment difficulties.

Enforcement Personnel

5. Inadequate and depleted enforcement personnel has had its effect. Many states have never had sufficient personnel to do a good job. Even the few states having sufficient numbers have not been able to make the jobs sufficiently attractive financially to retain or attract competently trained men capable of getting results.

6. The poor condition of many highways and streets has led to accidents. There has been no adequate maintenance since before the war and practically no new highway construction.

7. Last but not least is the human equation—people adapting themselves to peace time ways.

What will it take to correct the situation?

The insurance industry has always recognized the vital importance of accident control. It always has and always will contribute its full share toward re-

ducing or pointing out the way to do so. But safety, particularly automobile safety, has become of such public concern that the reduction in accidents will constitute for several years, not only for the companies but for agents as well, a prime subject of study and activity.

Yet even though the job is too big for the insurance industry alone, the business finds itself involved—by its peculiar characteristics and by its sense of responsibility—in almost all phases of the problem. An understanding of the whole problem certainly is indicated if there is to be intelligent participation in its solution.

PUBLIC ATTITUDE

1. One of the important things that now is in process of developing is a country-wide program of safety which will include the cooperation of the entire population—the butcher, baker, and candlestick maker.

This is the primary objective of the Truman conference on safety.

The insurance business is very optimistic about the good that can be accomplished by the conference. Out of this is expected to come a clear delineation of how to solve the problem of traffic accidents. The conference will dramatize the national importance of the subject and its findings and recommendations are expected to establish the pattern of the national approach to

safety for some years to come. The conference will do a big job and a significant one.

Men of outstanding ability in practically every branch of the industry in the country have been called upon—engineers, educators, administrators, insurance people, legislators, national and local associations of various kinds, and federal executive departments.

Committee Setup

Committees have been appointed to report on accident records, education, enforcement, engineering, laws and ordinances, motor vehicle administration, public information, and organized public support. This attacks the problem on every front.

The committee on accident records is to prepare and present a comprehensive report on street and highway accident problems as shown by accident statistics. The committee will also review the status and make specific recommendations regarding adoption of accident reporting systems and collection, analysis and effective use of uniform accident records.

The committee on education will define the responsibility of schools, colleges and universities for traffic safety education. It will evaluate current safety programs at these levels and recommend programs and ways and means of adopting them universally.

The enforcement committee will determine the relation of traffic law enforcement, as administered by the constituted judicial, police, and other im-

portant agencies, to the prevention of street and highway traffic accidents; evaluate the enforcement doctrines and techniques employed by such agencies, explore new or unusual enforcement practices and advocate use thereof, and recommend a program of traffic law enforcement for adoption by judicial and state and local enforcement agencies.

Engineering

The committee on engineering will consider those phases of engineering that relate to the prevention of street and highway traffic accidents. It will evaluate the dominant characteristics of design, construction, maintenance and operation, as well as traffic control devices and techniques that aid in the reduction of traffic accidents, and will recommend appropriate engineering measures for adoption, indicating the steps to be taken in the immediate future and those for long term planning.

The laws and ordinances committee will analyze existing state laws and municipal ordinances which determine the extent of their conformity with the uniform vehicle code and model traffic ordinance. It will recommend definite steps to expedite the development of needed uniformity in state and municipal traffic legislation. The motor vehicle administrators committee will determine the relation and relative importance of permanent elements of motor vehicle administration to the prevention of street and highway traffic accidents.

Public Information

The committee on public information will study methods of bringing the facts about highway safety to the public through press, magazines, radio, screen, and other media. It will examine the responsibilities of public officials, and it will recommend both immediate and long range policies and techniques necessary to inform the public adequately on traffic accidents and their prevention.

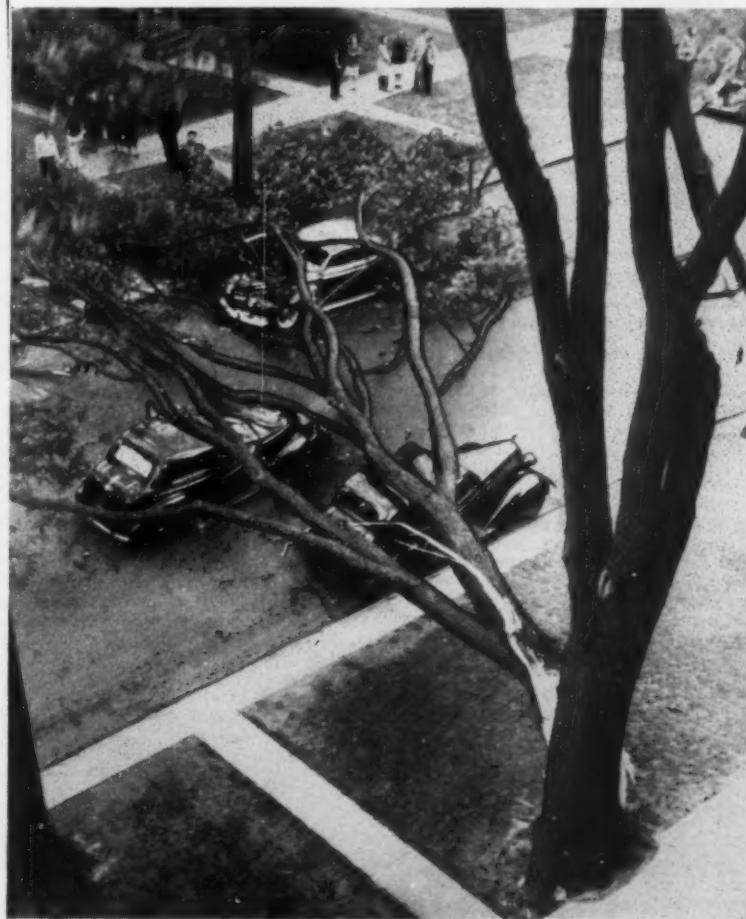
The conference will get action programs from the reports of these committees. They will provide the blueprints for safety. The committee on organized public support, consisting of a large group of representatives of the highest type of civic leadership, will recommend a working plan through which the conclusions of the conference can be translated into an effective action program.

The type of recommendation expected to come out of the Truman Safety Conference is indicated by that already outlined in the committee on motor vehicle administration. This committee points out the immediate need of periodic examinations to uncover hidden physical defects in motorists and mechanical flaws in motor vehicles. A medical standard based upon findings of medical agencies should be established throughout the country to determine driver qualifications.

Motor vehicle administration units should be responsible only to the governors of the states, the committee recommended. An individual's right to retain his license should be dependent on his driving record.

Other Recommendations

Standard driver licensing and examination, accident-reporting, program of highway construction and improvement, competent traffic engineering and safety education, all backed by efficient enforcement were recommended. Traffic standards should be developed and upgraded. Salaries should be paid commensurate with the importance of the motor vehicle department job so as to attract competent personnel, and high-
(CONTINUED ON PAGE 24)



A wind-felled tree crushed two moving automobiles and a parked car during a spring gale. The driver of the middle car suffered shock and head injuries, the operator of the auto across the street had to crawl through a window to get out. The car in the foreground was unoccupied.
—Acme Photo

Automobile Insured Gets Bargain Today

Insurers Discharge Obligations at Big Sacrifice

By KENNETH O. FORCE

The automobile insurance agent today, on the basis of the facts, is still selling the biggest bargain in the business. The insurance industry is shouldering the burden of keeping America's automobile transportation functioning at a time when the average age is greater and the condition of cars is poorer than ever before or perhaps will ever be again—and it is paying a pretty penny to discharge the obligation.

Today assured gets back from the insurance company a greater percentage of his premiums than ever before and certainly more than in any other line of insurance. At the same time he is buying security against a heavy physical damage loss or large bodily injury verdict which could jeopardize his savings and future, which is the normal function of insurance.

The insurance industry is sometimes criticized for not telling the public the story of what it does at a time of crisis for the individual or for the public when there is a catastrophe. The automobile business is a daily, continuing catastrophe because of the tremendous aggregate of losses.

The figures discussed herewith are convincing evidence of the size of the bargain assured is getting in his automobile coverage.

200 Bills Compared

A comparison of the 200 final repair bills from 1941 with those of 1945 and 1946 show that the average for 1941 was \$182.70, and the average for those of 1945 and 1946 was \$239.08. This is approximately 33½% increase, which adjusters believe to be approximately correct. Repair men themselves estimate without accurate checking that costs have risen from 25 to 45%, but most estimates are that the figure is around 33½%.

What has happened in the automobile repair field cannot be shown entirely by figures or graphs. It is more complicated than that. For example, in the painting of truck cabs, the average paint job today costs about \$65, but to this is added any metal work due to rust. In 1941 the metal work was included in the cost, which was around \$35.

In 1941 the average metal man was receiving 40% of the time charged for his work, and he averaged \$50 per week. In 1945 and in the first three months of 1946, the metal man was getting 50% of the money charged for this work, and the average wage varied between \$90 and \$125 a week. Apprentices now get from \$45 to \$65 a week.

In 1941 repair shops were getting \$13 for straightening the rear axle housing. The average charge for straightening the rear axle housing in 1946 is \$20.

Discount Changes

Insurance companies generally in 1941 were securing a 25% discount on many makes of cars. In 1946 the 25% discount was being secured only on one or two makes, and the percentage has been reduced on other types. On many makes no discounts were available at all.

In 1941 the lower cowl paneling damage by a blow to the front fender ran from \$5 to \$8. In 1946 most garages are trying to get \$10 to \$12.50, some them \$15. They argue that they cannot make any money at that price.

There are three basic reasons why the estimated metal time is so much higher than in 1941. During the war—and even now—the metal men frankly loafed on the job. They became temperamental and considered themselves artists, due principally to the fact that many of them had been taken into the army and metal men were scarce. The average car to be worked on today is approximately five years older and the metal is in very poor condition. When a fender is taken off a car it is cut off with a torch in-

stead of by removing bolts because it is so badly rusted. A rear quarter panel may be damaged. After the rear fender is removed and the work started over the wheel housing, the metal often is rusted so badly that one blow with a hammer will tear the metal, necessitating a welding and filling job, which is of course more expensive.

Another important item in increased repair costs on wrecked cars is the fact

and it will sell not door shells alone but only the entire door at a minimum price of \$65, regardless of condition.

In 1940 and 1941 repair shops were still doing a large amount of repair work on 1939, 1938, 1937, 1936 and 1935 models. Today these models are often constructive total losses. Most of the cars of those years were equipped with running boards, which saved an expensive door panel. The running board only

	1935	1936	1937	1938	1939	1940
B. I.	356	370	389	378	337	224
P. D.	31	29	30	31	31	32
M. V.	40	38	43	39	38	38
Total ...	119	103	100	97	86	88
	1941	1942	1943	1944	1945	1946
B. I.	227	405	430	470	448	390
P. D.	34	40	45	52	57	51
M. V.	42	44	52	66	65	43
Total ...	78	95	97	103	98	95

In the following table is shown a breakdown of average costs for 1943, 1944 and 1945 as between losses under the comprehensive coverage and collision.

MOTOR VEHICLE

Average Claim Cost

	1943	1944	1945
M. V.	26	31	29
Coll.	149	155	140
Total ...	52	66	65

One large company reports that of total bodily injury automobile liability gross paid losses in 1945, exclusive of expenses, the proportion paid in cases of \$5,000 or over was 26.4%. This compares with 23.4% paid in cases of \$5,000 or more for the period 1932 to 1945 inclusive.

The 1945 losses came from 30 states. Other facts revealed by a study of the company's 1945 experience include the following:

Approximately 54.5% of the accidents occurred at night. More than 41% occurred on state highways, 30% on city streets, 20% at city crossings, and the remainder at highway and railroad crossings.

More than 91% of the drivers involved were male adults. More than 4% were under 21, and more than 4% consisted of female drivers.

Misjudgment was the chief cause of accidents, accounting for about 30%; speed was the next largest cause, then came skidding, drunken driving and faulty equipment. There were several miscellaneous causes.

For the 15 years, the following facts are revealed:

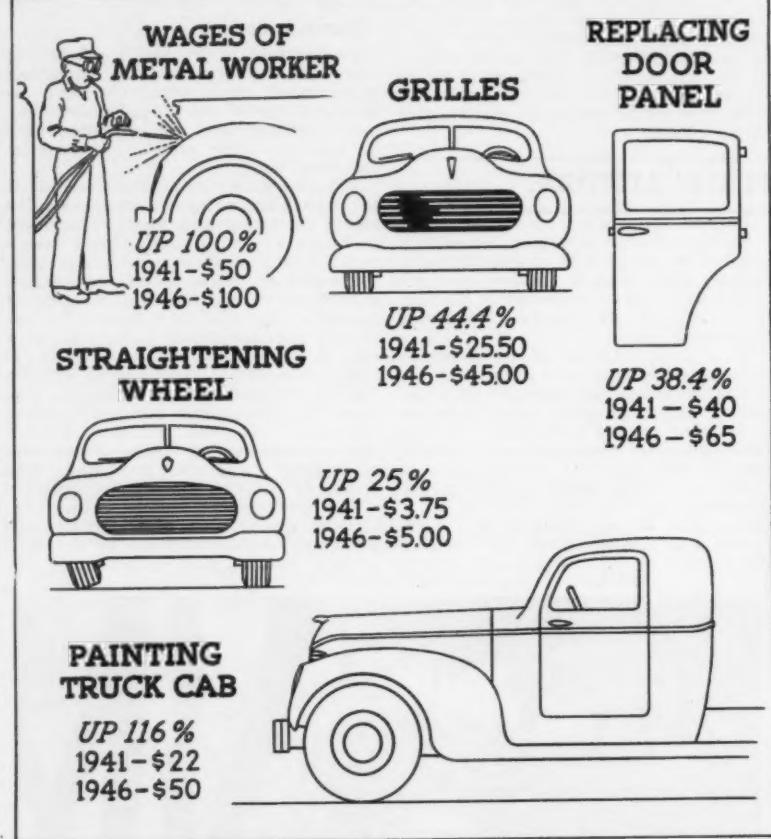
Almost 52% of the accidents occurred in daylight. State highways were the scene of 51% of the accidents, city streets almost 30%, city crossings 15%, highway crossings around 3%, and railroad crossings the remainder.

Almost 90% of drivers were male adults. Those under 21 accounted for about 6%, and the remainder were female drivers.

About 36.5% of the accidents were caused by misjudgment; 18% were due to speed; 13% to skidding; about 5% to faulty equipment; 23% to miscellaneous causes and the rest drunken driving.

It is obvious from a study of the figures that it costs more to settle a claim than it used to and that jury awards are higher. Frequently newspaper reports of such awards make the statement that the amount is a record for the county.

No one is immune from the pressure of higher prices. Lawyers, doctors, hospitals, nurses, ask for and get more. Settlements are proportionately higher.



The illustrations above indicate what the insurance companies face every time an insured car is damaged. They are based on information from half a dozen repair shops and are averages of several hundred bills.

that certain parts are impossible to secure. A rear fender for a 1941 automobile of a certain make listed at \$8. Some fenders take a minimum of one day to repair and often the entire fender is custom made out of a piece of metal. On all estimates this shows as a new fender listed at \$8 plus labor. One job required several items, left front fender, grille, grille moulding, grille lower panel, filler panel, filler panel moulding. The total list price on these items is \$43.30, less a discount. The salvage man on this particular job got \$90 for the several items on the list. Most fenders need metal work which requires three or four hours' reconditioning.

Frequently there is no way to get a car back on the road except by purchasing used parts at an exorbitant figure and repairing them at a greater cost than it would be to replace these parts new in normal times. Most of the parts are damaged, and the garage which purchases them has to do considerable work before using them on the repair job. In 1941 when there was a badly damaged door panel, a new door shell could be secured for \$27.50 plus \$12.50 for changing all the hardware. It is impossible to secure a door shell today. Consequently, if the door is badly damaged there is more spent on labor than it would cost to buy a new shell if one could be had. If it is beyond repair, one must be purchased from a salvage yard

would cost from \$5.50 to \$10. The older model cars did not have fancy grille work. Also in 1940 and 1941 manufacturers first introduced the hood bonnet instead of the old type hood. The new bonnet is a large flat piece of metal difficult to straighten and more difficult to line up, involving considerable labor in front end collisions.

Many of the grilles being used today are made in Mexico and shipped into California, thence to various repair men over the country. These grilles cost more than regulation factory items, and are not even chrome. One type of grille that is carried on the list prices at \$12.75, American make, costs \$20 and \$25 a side from Mexico.

Theoretically the repair shops are charging the same prices they did in 1942 when the O.P.A. established ceilings. Actually repair costs have gone up tremendously for the shop operator and there has had to be an adjustment in the prices he gets from his customer.

The following figures reveal what has happened with respect to bodily injury, property damage and motor vehicle (comprehensive and collision) claims since 1935. For the period 1935-1945 inclusive, the following figures are based on approximately 200,000 bodily injury claims, more than 600,000 property damage claims, and more than 400,000 motor vehicle claims. The average claim cost, with total, is given below.



"Of course, no one would insure an auto against falling from the top of a 100-story building—but then—there's the amazingly low premium cost to consider."



Increase Your Automobile Premium Income with Amico..

Availability of new automobiles means more premium income for you if you are equipped to aid prospects and present policyholders with financing as well as insurance service.

AMICO sales and advertising plans are especially designed to help you hold present policyholders who purchase new cars and to attract prospects.

American Motorists offers your clients *more* for every dollar they spend on automobile insurance. Plus values are available through American Motorists BROADFORM, an automobile insurance "package" that *really* sells.

AMICO has developed effective sales aids to let your customers know that you are the man to see about financing and insuring a new car—promotional material that points out the value of making financing and insuring arrangements through an insurance specialist whose interest in the client's protection continues long after the last installment on the car is paid. A comprehensive plan, including fifteen lively sales tools, helps bring you that good new car business. Ask about this plan today!

AND, AMICO can help you too in selling all casualty lines and bonds. Here are some of the reasons American Motorists representatives get more business:

1. AMICO always has paid participating policyholders substantial dividends. These savings are really important at renewal time and are a powerful sales feature.
2. AMICO offers, in addition to Automobile, Aviation, Boiler and Machinery, Workmen's Compensation, Public Liability, Personal Accident, Burglary, Plate Glass, and Fidelity and Surety Bonds.
3. AMICO provides safety engineering and claim service that helps you hold business and keep policyholders satisfied.
4. AMICO is a \$14,000,000 multiple-line company with automobile experience and its sales plans are geared to keep you ahead of competition with the latest coverage features.

There's more premium income in your future with American Motorists. If you want a live connection with a multiple-line company, find out about the American Motorists franchise in your community. Just write on your letterhead *today*.

**AUTOMOBILE • PLATE GLASS
PUBLIC LIABILITY • BURGLARY
FIDELITY AND SURETY BONDS**

* **American**
MOTORISTS INSURANCE COMPANY
James S. Kemper, Chairman
H. G. Kemper, President
SHERIDAN AT LAWRENCE : CHICAGO 40, U. S. A.

**BOILER AND MACHINERY
PERSONAL ACCIDENT, AND
WORKMEN'S COMPENSATION**

New York (17): 342 Madison Avenue
Boston (16): 260 Tremont Street

Atlanta (3): Kemper Insurance Building
Syracuse (2): Syracuse-Kemper Ins. Building

Philadelphia (7): 12 S. 12th Street
Los Angeles (5): Kemper Companies Building

San Francisco (4): Russ Building
New Orleans (12): Hibernia Bank Building

A Nationwide Company Writing All Forms of Casualty Insurance and Fidelity and Surety Bonds

Strive to Get Long Haul Cargo on Acceptable Basis

The long haul truck cargo business is still the No. 1 headache of the inland marine underwriters but some rays of hope are appearing. One of these is the series of conferences recently inaugurated between representatives of the trucking concerns and the underwriters. Another is the use of reports of the lines' financial condition, now being generally required. The loss of revenue formerly received for hauling war goods has been a bad blow for some lines but peace-time conditions also mean that there will be new equipment, more parts, new tires and more experienced personnel available, as well as revenues from hauling goods for reconverted industry.

Agents and brokers can help considerably in improving the generally unfavorable experience in several ways. They can cooperate in safety campaigns. They can refrain from attempting to persuade their companies to accept the sour risks. Perhaps the most important way—both to their companies and themselves—is to cooperate in obtaining the financial reports rather than agreeing

with the truck line operator who is unwilling to supply the desired information.

Agent Benefits Himself

According to K. S. Schindel, manager of the Central Analysis Bureau, which goes over these reports and watches for any indication that a truck line is headed for financial difficulty, the producer not infrequently finds that he is protecting his own pocketbook in operating in this way, for when a truck line gets into trouble, the records show that the producer is quite likely to be a heavy loser. He not only loses a customer but his commissions and any overdue premiums which he has advanced. Sometimes these run into large sums.

The insurer, of course, is concerned about any threatened insolvency because of its liability under the interstate commerce commission endorsement. This makes the insurer liable to the shipper or consignee for all claims, whether covered by the policy or not, if the insured is unable to meet them.

The financial reports are of first importance both to the insurer and the producer and the latter's cooperation often makes the difference between obtaining a prompt, complete report and getting none at all.

Delinquencies Often Significant

In addition to cooperating in obtaining financial reports from truck lines, the broker or agent can help by reporting to the insurer any failure to pay premiums on time. This may be the tip-off that a line is in financial straits. Many insurance companies look on promptness in paying premiums as an indication of solvency. They are sometimes misled because a producer meets the deficiency out of his own funds. Some agents deliberately encourage a truck line to be in debt for its premiums as a means of holding the business. The agent feels that the line's management will not switch its insurance to another office while it owes for overdue premiums.

The financial reports indicate that it is easy for an agent to be misled by appearances. If the top men in the truck line drive good cars and own homes the tendency is to believe that the line is in good financial shape. It is ironical that sometimes agents who have been holding out the strongest against getting their insured to fill out the form are the very ones who have the most to lose in the way of overdue premiums. Some agents have felt so confident in their insured's financial condition as to lend them money, only to find themselves a little later holding the bag for premiums, commissions, and loans.

BUSINESS IS NEW

Unfortunately, outward signs of prosperity are no reliable yardstick for measuring a line's actual financial condition. The trucking business is a relatively new industry and has not had the time to build a substantial capital structure. While there are many well-heeled companies the business is normally one of fairly high mortality, which has not improved in the last few years.

Mr. Schindel believes that there should be a definite improvement within a year and that the situation is already improving but there are still some failures ahead.

The Keeshin motor freight line last January filed a petition for reorganization under the Chandler act. Keeshin is one of the biggest operators in the country and this action was a shock to the entire trucking industry, particularly in the middle west. It had been felt there that while there had been some

spectacular truck line difficulties in the south, nothing like that could happen in the middle west.

Need Higher Freight Rates

Keeshin's difficulties have served to dramatize the need for more adequate rates for less-than-truckload shipments. The ICC is now investigating the L.T.L. rate situation in central territory. It is widely agreed that the truck lines must have an increase if they are to stay in business.

The fact that freight rates are controlled by the ICC is one of the reasons why the truck lines are not in a position to pay really adequate premiums for truck cargo insurance. Inland marine underwriters are sympathetic with the plight of the truckmen, who are caught between high operating costs and fixed freight rates. The insurers feel a definite moral responsibility to provide coverage if they can do so but naturally they cannot keep on losing money consistently.

The attitude of the truck line operators to the insurers' has gone through two stages and is now in a third. Up to the last couple of years or so the lines shopped around among the insurance companies for the best rates they could get. Frequently a line that had been dumped by one insurer for excessive losses could obtain coverage from a competitor at an even lower rate.

Lacked Consistency

This lack of underwriting consistency from one company to another was naturally not conducive to causing the truck operators to become concerned about loss ratios. When the insurance market came to the realization that the chances for making money on long-haul truck business were about on a par with playing a slot machine and tightened drastically in their underwriting the truck line operators felt that the underwriters were ganging up on them and began to talk about forming their own company to underwrite long-haul truck business.

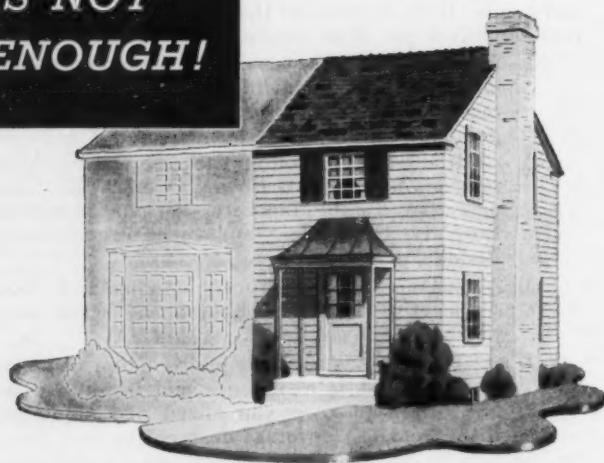
When the operators realized that the underwriters were not just being mean but had legitimate reasons for declining to accept risks the truckmen's attitude again changed. Appreciating that the insurers could not be expected to go on losing their shirts indefinitely they recently got together with the underwriters to see what could be done about improving the experience.

WHO SHOULD PAY?

At the first conference between the insurers and the truck line representatives

(CONTINUED ON PAGE 26)

**PARTIAL
COVERAG
E IS NOT
ENOUGH!**



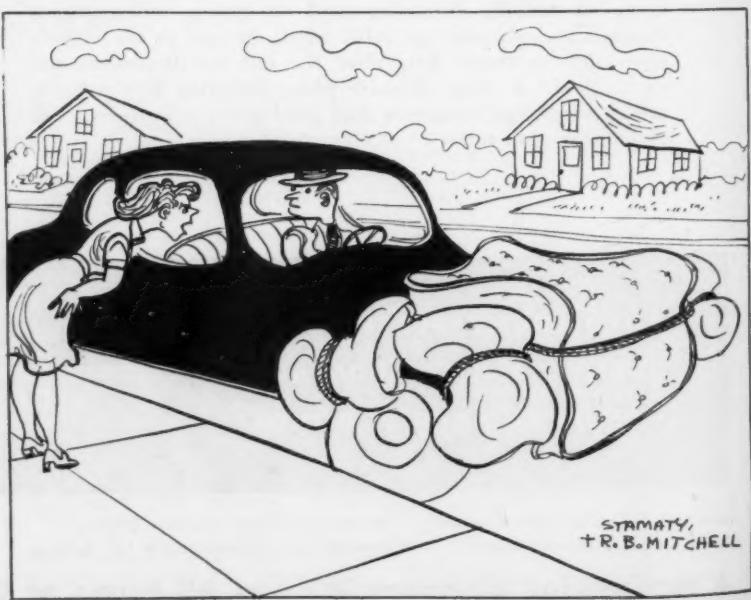
Today's abnormally high replacement costs are in many cases 50% greater than in 1939 and call for a thorough check of every risk.

You cannot afford to allow your clients to have inadequate protection. Yours is the responsibility—in fact, even a moral duty—to make certain that your assured have ample dependable coverage.

Add the protection necessary to cover increased values. In so doing, you will not only gain your client's confidence, but increase your income.

**THE London AND Lancashire
GROUP**

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA



The Terrible Tale of Tessie McTath



A goodly woman was Tessie McTath
Who never strayed from the straight, narrow path
Until the time when sadly she learned
That she'd stayed on the path when she should have turned.

Returning one day from Oak Tree Bluff
A heavy fog made the going rough.
But fog or not our Tessie was late,
So she zipped along at a pretty good rate.



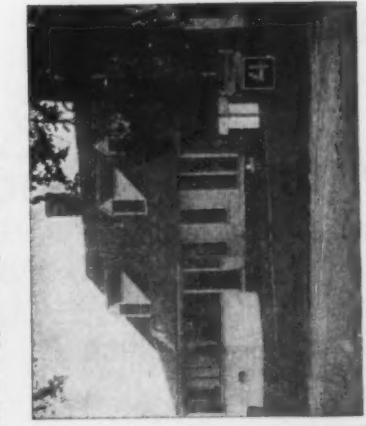
Then suddenly came a terrific crash.
And in burst Tess with a shattering smash.
Straight through the kitchen and into the hall
Went Tess, uninvited, auto and all.

They dragged Tess out with a cut up head,
Thankful and lucky not to be dead.
The kids and their mother that night in their prayers,
Thanked their stars that kept them upstairs.



It shouldn't be hard to get the gist
Of the tale of the curve that Tess missed in the mist.
Two lessons also should be learned
From the girl who went straight when she should have turned.

The first and most basic lesson by far
Comes from the way she drove her car.
In any weather, don't be optimistic
And drive too fast or you'll be a statistic.



We shift the scene to the second floor
Of a farmhouse close to Highway "Four".
And there, upstairs, all ready to eat
Was the farmer's family, clean and neat.

Now one of the kids was a little slow
And he asked the others not to go.
The mother buttoning Jimmy's shirt,
Told the others to hurry or no dessert.



The other lesson is purely financial.
For accidents usually are just circumstantial.
So take out insurance, all you can manage,
Liability, accident, property damage.

For when accidents happen they often cost money
With Tess the results were a long way from funny.
She'd heard of insurance, but Tess didn't have hers.
So here is the moral—Insure in The Travelers.

The names and places used in this moral-
packed poetry are purely fictitious, as foolish
Tessie McTath would not want her name
publicized anyway—The Editors.

Suggests New Rating Approach

Would Insure Cars at a Certain Rate Per \$100 of Coverage

By ALFRED O. GRAVEN

Secretary, Dubuque F. & M.

The continued present disastrous experience on automobile material damage coverages is unquestionably a matter of grave concern to the entire insurance industry. It does seem that the one practical approach to a possible solution of this problem has been entirely overlooked.

That approach would involve scrapping the present outmoded and illogical method of rating and would substitute a rating formula based upon realities and not on theory.

We all fully realize that the costs of



A. O. Graven

labor and material have risen far beyond pre-war levels and we are aware of the inflated value of vehicles which in former years was subject to well determined factors of depreciation. There may have been some good reason at one time in setting up varying levels of premiums based upon the factory price and the age group in which a particular automobile happened to fall, but surely the same reasoning does not hold true under present day conditions.

Actual Cash Value Problem

Aside from the admitted increased frequency of accidents since V-J Day, the other main factor contributing largely to the present loss experience is the insuring of automobiles on the so-called actual cash value basis.

It would seem to be more logical to insure an automobile for a stated amount of insurance at a certain rate per \$100 of insurance, irrespective of the make or model, with the one possible exception of a slight variation in the

rate for new and old cars as is provided for the rating of commercial vehicles.

The rate to be charged on this basis could be determined by a comparison of the present premium levels with the actual loss experience and an overall increase in premiums necessary to place the automobile business on a reasonably profitable basis could then be resolved and the proper rates be charged on the stated amount basis.

A minimum premium should be established for the various forms of collision coverage, which would be the premium charge for, say, the first \$500 of liability. The excess amount of liability over \$500 would then take a flat rate charge over and above the minimum premium for such collision coverage. By applying rates on a stated amount basis for comprehensive or fire and theft coverages, an adequate and equitable premium would also be secured for these coverages.

The following example will explain the rating method proposed:

Assume we are to insure a 1941 Ford sedan on which a stated amount of \$850 of insurance is to be written, representing approximately 80% of the ceiling price of this type of automobile. The car is in the Pacific Coast area where the minimum premium charge for \$25 deductible collision coverage is set up at \$35, with a rate of 5% for the liability in excess of \$500.

Collision Premium \$50

The premium charge for the collision coverage would be the \$35 minimum premium plus 5% of the excess amount of \$300 or \$15 additional premium, making the total collision premium to be charged \$50. The comprehensive coverage would take the rate per \$100 of stated amount of liability, which we will assume for example is \$1.25, producing a comprehensive premium of \$10. It is further suggested that the comprehensive minimum premium be established at \$10 and the minimum premium for fire and theft coverage at \$7.50.

To encourage the careful and responsible car owner to carry collision insurance, the rate level could be set sufficiently high so that the overall premium in any given area would permit the granting of, say, a 20% reduction in the premium to such assured who will warrant in the policy that no claim has been presented to or paid by an insurance company on any vehicle owned or operated by the assured within the preceding 12 months period.

Legitimate fleets would still be eligible for special rates and a definite formula should be worked out so that uniform reductions in rates would be granted in accordance with the signed statements of the assured, certifying as operated during his absence.

to the actual premium and loss experience for the previous two year period.

Coincurrence Would Apply

To control the factor of possible under-insurance, the 80% coinsurance clause should be made a standard provision of all policies, with a further provision that in the event of the payment of a total loss, the company would acquire title to whatever salvage might remain.

There would also seem to be no logical justification for more than one territory in any one state and, in fact, certain defined geographical areas could all carry the same rate. These geographical areas might be roughly defined as New England, middle Atlantic, middle west, southeast, south Rocky Mountain and Pacific Coast.

We all recognize, of course, the need for constant emphasis on accident prevention and safety programs and our efforts in this direction should be unrelenting, but we are surely still in the horse and buggy days so far as the present automobile rating formulas are concerned.

Moving Household Goods by Air

One phase of air transportation which has already been tried out in a tentative way is that of moving household goods long distances by plane. E. H. Warren of Detroit believes there is going to be a great deal of freight shipped by plane. He points out that the Warren Co. has had some experience in shipping a few plane loads of household goods.

The first load, consisting of the household goods of five families with a total of 10,000 pounds, had the misfortune to crash and burn. However, the rest of the shipments tried by this firm were successfully delivered from Detroit to Los Angeles in 19 hours' flying time.

There would be a great deal more air shipments if the rates were more reasonable, Mr. Warren states. However, there was a representative from a large airline in the Warren office recently who talked favorably of a lower rate. He believed the airlines could come closer to truck prices. He also stated that some planes with a 25,000 pound carrying capacity are to be put in use. As this develops, Mr. Warren believes many shippers will use air service.

Harold R. Osborne has returned from the army after three years service, much of that time in the south Pacific, to resume direction of his agency at Overland Park, Kans., which Mrs. Osborne had operated during his absence.

*The Honeymoon
is Over...*

in automobile insurance

At a time when loss ratios and unprecedented accident frequencies are taxing the insurance industry, agents, brokers, and policyholders appreciate the financial stability and unexcelled claim service of the

GENERAL ACCIDENT



EXECUTIVE OFFICES
GENERAL BUILDINGS
PHILADELPHIA



"Hi, Dad, the gang's parents want to know if you had medical payments insurance when I crashed the car driving to the party."

The EMPLOYERS' practical and flexible service of Reinsurance in the Automotive liability lines has grown parallel to the evolution of motorized travel and its attendant underwriting requirements. Our accumulated experience, research and facilities are constantly at the call of Companies underwriting in this field.

EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON—PRESIDENT

KANSAS CITY

**NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES**



"NO, I DIDN'T FORGET TO TURN OFF THE WATER HEATER.
I FORGOT TO RENEW MY INSURANCE."

Sounds Optimistic Note

No Cause for Panic Seen by Underwriter;
Believes Major Rate Shifts Have Been Made

The automobile picture is not nearly so bad as it has been pictured, according to one company man who follows rating and experience figures closely. Even with the low rates that Commissioner Harrington produced in Massachusetts, the companies are doing satisfactorily there.

There are indications that accident frequency is not climbing any further. Claim cost has more or less leveled out. The volume of premiums steadily is rising. New cars are making their appearance.

In addition, there is a factor hard to measure but one that undoubtedly is exerting a substantially beneficial effect. That is the effort of conscientious owners to preserve the automotive equipment they have.

Public Conscious of Safety

The considerable amount of publicity given accident prevention—more by industries and interests outside insurance than in it—is influencing the public.

From now on the condition of the cars on the street will be improving. Streets and highways, condition of which has considerable effect on accidents, will be bettered.

All of these things will bear on the automobile experience in the next several months.

The companies are worried about property damage (or collision). Yet they have had rate increases. The full effect cannot be determined until the last policy to shift to the higher rate level has had a year to run.

Post-war Costs

Post-war costs will be difficult to determine until there are eliminated from the economy such things as price ceilings, labor and material shortages and other unnatural factors.

On at least some of the new cars, for example, there is a charge of \$20 to \$25 applied by the dealer as a "servicing fee." Just what it is no one seems to know.

Claim costs in the time ahead undoubtedly will be higher than they were pre-war, especially on property damage and collision. Repair labor is getting more money. Materials and parts cost more because of the higher cost of the items that go into their production and transportation to the dealer's shelves. There will be other items similar to the "servicing fee," though they may be hidden or disguised for a while.

P.D. Loss May Rise

On some of the new cars, the fender is an integral part of the hood, so that if only a small part of the fender is broken the whole hood will have to be replaced.

The new cars are not being built as sturdily as before the war. In some of them lights are hooked directly to the battery so that they go up and down with battery strength.

On the basis of these facts, property damage losses may rise sharply when the new automobiles take to the road in any great numbers.

Heretofore, parts have been scarce and repair shops did the best they could to patch up the vehicle and put it back on the highway. That cannot be done now because the car is too decrepit. A thorough-going repair and replacement job must be done. This is adding to the cost.

Mileage Basis to Continue

There has been some criticism by agents of the mileage basis of rating. It is doubtful if this will be changed, at least for a few years, or until some better foundation is suggested. If the companies tried to differentiate simply between business and non-business use, the line of demarcation is not clear enough to make that system practicable. Not enough credit goes to the low-mileage customer. Mileage is the most reasonable yardstick that has been employed or considered so far.

Some thought that there should be a single rate. Others believed recognition should be given the low mileage driver. Obviously mileage is not the only factor involved, even if it is the chief one. There is the problem of the young driver with his proved higher accident frequency to be considered.

There is apprehension at the much higher than anticipated percentage of drivers who have earned the A1 classification. The condition of cars is such that owners don't take long trips. Perhaps this unusual distribution will right itself as time goes on. In the meantime, it should be remembered that the experience of the companies on business in the A1 classification has been excellent in the past. A moderate increase in the loss ratio in this division would

(CONTINUED ON PAGE 29)

14th Consecutive Year of Increased Premium Volume

FINANCIAL STATEMENT

ALLSTATE INSURANCE COMPANY ALLSTATE FIRE INSURANCE COMPANY

DECEMBER 31, 1945

Assets

Investments:

	ALLSTATE INSURANCE CO.	ALLSTATE FIRE INSURANCE CO.
United States Government Bonds.....	\$ 9,566,036.73	\$ 1,309,504.43
Municipal, Public Utility and Industrial Bonds.....	257,289.88	52,572.69
Stock of ALLSTATE FIRE INSURANCE COMPANY.....	1,122,389.03	.....
Other Stocks	1,286,065.00	404,015.00
First Mortgage Loans.....	114,536.66	59,094.08
 Total Investments	 \$12,346,317.30	 \$ 1,825,186.20
Cash	1,747,978.06	248,610.09
Premiums in Course of Collection.....	1,871,480.09	502,309.11
Accrued Interest and Other Assets.....	251,908.91	301,831.12
 Total Admitted Assets.....	 \$16,217,684.36	 \$ 2,877,936.52

Liabilities

Reserve for Losses.....	\$ 4,325,499.96	\$ 235,094.00
Reserve for Unearned Premiums.....	5,197,660.46	1,327,416.45
Reserve for Taxes.....	156,727.46	71,377.70
Reserve for Expenses.....	202,717.88	81,052.96
Reserve for Dividends on Unexpired Policies.....	178,487.12	37,828.74
Reserves—Miscellaneous	86,230.08	2,777.64
Reserve for Contingencies.....	200,000.00	25,000.00
Capital Stock	\$300,000.00	
Surplus	797,389.03	
 Total Capital Stock and Surplus.....	 5,870,361.40	 1,097,389.03
	 \$16,217,684.36	 \$ 2,877,936.52

Securities carried at \$408,788.55 in the above statement are deposited for purposes required by law or required in the regular course of business.

Securities carried at \$975,444.49 in the above statement are deposited for purposes required by law or required in the regular course of business.

All eligible bonds amortized. All other bonds and stocks valued at quoted market prices as approved by the National Association of Insurance Commissioners.

HOME OFFICE: 20 NORTH WACKER DRIVE, CHICAGO



● Combining all these broad coverages in just ONE simplified policy, it's no wonder that so many agents rate the American States SUPER-EXCEL Policy as their No. 1 commission builder.

It provides broader protection because it insures against "occurrences" rather than just "accidents" . . . covers all motor vehicles without description . . . gives true blanket

protection for the assured, his family and his property.

Let us show you the outstanding profit-making possibilities in selling the American States SUPER-EXCEL. Write, wire or telephone us today. No obligation.

AMERICAN STATES INSURANCE COMPANY
542 N. Meridian Street • Indianapolis 6, Indiana
Agents in Southern California contact our
LOS ANGELES BRANCH OFFICE: 639 South Spring St.



Opportunities in Aviation Accident Insurance

By EDWIN H. MARSHALL

The past year has seen producers double and triple their commissions from the handling of aviation accident insurance. But the surface has only been scratched. Below the surface lies the rich ore of real commission volume. Why has such growth taken place already and where are the opportunities for the great volume that is to be?

E. H. Marshall During 1945, as the war drew to a close in area after area over the world, priorities were gradually relaxed and the businessman, public servant, and traveler turned to the air for speed and comfort in travel. Individuals found themselves flying in types of planes and in areas that invalidated much of their standard life and accident insurance. Their need for specific insurance to fill this gap was great. Employers felt a responsibility to provide aviation accident insurance for executives and other employees whose duties exposed them to the hazards of air travel and sought liberal, blanket policies to discharge their responsibility.

Broad Coverage

How did the insurance industry respond to these demands of the new era? Underwriters and producers who realized the true implications of air travel combined to create new policies in

tune with the air world's boundless horizons. They cast aside horse and buggy policies which limited coverage to specified airlines within restricted geographical limits. Recognition was given to the fact that when a man reaches Cairo or Manila he is in no position to call upon his broker or agent either for an explanation as to whether the plane he is about to board is an approved aircraft under his aviation contract or to ask him to extend coverage if it is not. They appreciate that, even while within the United States, flight on one of the many unscheduled airlines, or a scheduled in-

Mr. Marshall has been in the insurance business for 10 years. For five years he was with the National Bureau of Casualty & Surety Underwriters in the actuarial and the compensation and liability departments. He joined Indemnity of North America five years ago to do special risk underwriting. Subsequently his duties were broadened to include the handling of accident and aviation insurance.

terstate airline, or an industry-owned aircraft, made antiquated and unserviceable the limited policies which excluded them from coverage. Having realized that the very nature of air travel required unrestricted coverage, new policies were designed to cover on all types of aircraft anywhere in the world.

In the field of group policies issued for the employer to cover his employees, new ideas came to the fore. Horse and buggy policies which required reports by the employer to the insurance company, before the individual employee flew, in order to effect coverage were impractical. Sometimes these reports took the form of postcards mailed by the individual before boarding the plane with the postmark on the card determining the effective date of the coverage. All too often flights were made unexpectedly with the postcard report forgotten in the rush of other matters. Some underwriters and producers saw in this problem an opportunity. They sought to provide blanket cover in advance to all employees independent of all reports. In these new policies designed for the air age, coverage came first and applied to all automatically while reports came later for premium determination purposes only.

ployees while flying on business; nor should he allow any individual who travels by air on business or pleasure to be without information concerning the broad coverage available for individual purchase.

Other Opportunities

Other new facets which were relatively closed during the war years will open during 1946 and 1947 to pour forth profitable new opportunities for the sale of aviation accident insurance. During these two years we will see the mass production and sale of non-military aircraft to supply business with industrial aid aircraft, the individual with his private plane, and the aviation industry itself with the tools to perform its various services.

Corporations which buy and operate planes will need accident insurance for employees and guests while flying as passengers in these aircraft. They will seek accident insurance for the pilots and crew members who fly the planes for them. These corporations will want to mesh this accident coverage applying to flying on their own planes with aviation accident coverage for employees while flying in airlines and other aircraft. This will mean a new challenge to the producer and underwriter to create new tailor made contracts to fit each firm's individual requirements.

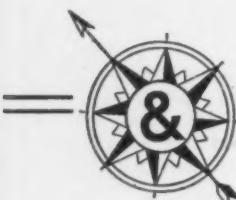
Individuals who have purchased planes, or who have joined flying clubs, will need accident insurance for themselves during their student training period and after as pilots. They will also require insurance for their families and guests who fly in their planes as passengers.

Manufacturers

The aviation industry and its related branches will have numerous requirements for aviation accident insurance. As an example, manufacturers of planes need accident insurance for the pilots

(CONTINUED ON PAGE 29)

NEWHOUSE



AVIATION INSURANCE
FOR
THE EMPLOYERS GROUP

SAYRE, INC.,

COMPLETE FACILITIES
for
AVIATION RISKS

116 John Street, New York 7, N.Y.

PHILADELPHIA

CHICAGO

ST. LOUIS

DETROIT

SAN FRANCISCO

LOS ANGELES

S
L
C
U.S.
There
spect
tion wh
fects. T
enact f
liability
shippers
the gro
pending
cussed i
More
sored b
which lim
recover
the passeng
mon car
or certai
bill is s
inatory
appears
sage, b
Senator
regard
Must C
In co
sions o
aviatio
kept cl
demerit
dental
tion, w
interest
whole
taken f
central
4912 do
type o
its subj
objection
correct
the effe
transfe
the sta
must b
More
the ins
mind—
the pr
are me
tion be
tive sta
ing th
could n
out do
of the
forms
Sweene
If th
it is o
port o
1941,
official
not yet
torney
for the
gesting
tion fo
ing th
are an
tion t
transpo
Said
legislat
effort,
effect a
of tort
be equ
ern tra
Legis
4912, a
the rig
XUM

Sees U. S. Air Accident Liability Legislation As Menace

By GEORGE W. ORR
Director of Claims
U.S. Aircraft Insurance Group

There is a very definite trend with respect to federal aviation liability legislation which may have far-reaching effects. This is the persistent pressure to enact federal legislation affecting the liability of carriers by air to passengers, shippers, and persons and property on the ground, as typified by H.R. 532, now pending but not presently being pressed, and by H.R. 4912, which is here discussed in some detail.

More recently an even more drastic bill has been introduced, S. 1904, sponsored by Senator George of Georgia, which would override state statutory limits on "wrongful death" and base recovery on the full earning power during the presumed life expectancy of a passenger killed or injured by a common carrier by air engaged in interstate or certain international commerce. This bill is so extreme and so highly discriminatory against air carriers that there appears to be little danger of its passage, but because of the influence of Senator George its defeat cannot be regarded as certain.

Must Consider Broader Question

In considering specifically the provisions of any federal bill dealing with aviation accident liability, it must be kept clearly in mind that the merits or demerits of any particular bill are incidental to the more important consideration, which is, whether it is to the best interest of the public and to aviation as a whole for control over liability to be taken from the state and vested in the central government. That is what H.R. 4912 does and that is what any similar type of legislation will do regardless of its subject matter. Even though faults or objections in any individual bill may be corrected, so far as that bill is concerned, the effect of its passage in any form that transfers jurisdiction over liability from the states to the central government must be considered.

Moreover—and this is something that the insurance business should keep in mind—in seeking control over aviation the proponents of government control are merely making a guinea pig of aviation because it is weak and in a formative stage. It is just a method of opening the door to further legislation which could not be obtained now but will without doubt be sought later on the basis of the aviation precedent, over all other forms of transportation.

Sweeney Report Cited

If there is any doubt about this threat, it is only necessary to refer to the report of E. C. Sweeney, dated June 1, 1941, to the civil aeronautics board and officially released by that body though not yet adopted by it. Mr. Sweeney, attorney in charge of staff investigations for the CAB made it clear that in suggesting federalization of liability legislation for air carriers he was not implying that the present common law rules are any more deficient as respects aviation than any other type of modern transportation.

USURPS STATE POWER

Said Mr. Sweeney: "Aviation liability legislation must be looked upon as an effort, in one field of transportation, to effect a reform or improvement of rules of tort liability along lines which might be equally suited to other forms of modern transportation."

Legislation such as H.R. 532, H.R. 4912, and S. 1904 deprives the states of the right, long established as peculiarly

the constitutional prerogative of the states, to control happenings within their borders and vests such rights in the federal government. If this can be done for aviation, principally upon the basis of its interstate character, it is equally applicable to other business which may be classed as interstate and under recent rulings of the Supreme Court, the term "interstate commerce" is astonishingly elastic and all-inclusive. The federal assumption of jurisdiction with respect to aviation liability, if accomplished, may be used as a precedent for assumption of jurisdiction with respect to many other classes of business and thus aid the concentration of more and more power in the central government.

In centering our attention upon the merits or demerits of federal liability legislation with sole regard to aviation is to lose sight of the greater and more significant subject involved. Because of the inherent interstate character of aviation, and because we all agree that federal control is desirable to accomplish uniformity in safety regulation and economic control—already accomplished under the 1938 act—aviation becomes a plausible vehicle in which to invade the jurisdiction of the states, the apparent assumption being that there is a conflict of law between the several states. In our wide experience with aviation claims, we have found no such conflict with respect to passengers or public and therefore that the rapid passage of airplanes over state boundaries does not create the hopeless confusion that we are supposed to fear. The laws as to liability are sometimes different in the various states but they are not in conflict, since the law of the place of accident

controls. The only conflict is with respect to workmen's compensation and employer's liability where common law rules of negligence have been supplanted by statutory enactment.

Discriminates Against Aviation

Such laws are, and H.R. 4912 is, highly discriminatory in that they subject aviation to law and costs different from those imposed upon other competitive forms of transportation. In Kibler v. TWA, 1945 USAvR 180, there is a very significant statement in this opinion by Judge Inch which is particularly applicable to the present tendency to subject airlines to a different standard of liability than the railroads, through the persistent pressure to take control of liability away from the states and place it in the federal government.

The judge says "Both (the railroads and airlines) are common carriers of freight and passengers, both operate conveyances from terminal points on prescribed routes on regular schedules; both are vested with a public interest and subject to government control, the railroads by the interstate commerce commission and the airlines by the civil aeronautics board. Airlines such as this defendant are in competition with the railroads for much the same business. The future promises a tremendous increase in air transportation after the war and the competition with railroads will become increasingly keen. It should make no difference that an airplane travels lanes above the earth while the railroad travels upon it."

It seems to us that this court is right that it should make no difference that airplanes travel above the earth while surface transportation travels upon it.

All aviation should ask is an even break. But all interested in aviation, and particularly those who engage in aviation for profit, should realize that it will make a great deal of difference to subject aviation to a different standard of liability than that of its competitors.

Perhaps some present thinkers are right that our whole system of negligence law is wrong and they can fix it all up with a law. We do not believe that but trust with greater confidence a proven system built up through the years, with the protection of all as its objective. However that may be, it appears obvious that until the law is changed with respect to all engaged in a competitive effort, it is unfair and discriminatory to make a guinea pig out of one competitor by subjecting it to a different standard of liability.

H.R. 4912 was introduced in Congress by Representative O'Hara, Dec. 6, 1945. Primary liability is imposed on the carrier but a better affirmative defense is allowed the carrier to escape liability than was permitted in H.R. 532. Instead of requiring the carrier to prove that the accident was not due to his failure to use the highest degree of care (which practically made him explain the accident) a defense similar to the Warsaw Convention defense is permitted—that the carrier prove that all necessary measures were taken to avoid the damage or that such measures were impossible. If we must have liability imposed, this gives the carrier a better break. However, it does impose primary liability which takes the case to a jury and places the burden on the carrier, hence will result in the higher costs and increased litigation discussed below.

The invasion of state's rights is more flagrant than in other classes of claims, such as passenger and cargo, in that the persons and property affected by this bill are located in the state of the accident. The states are denied the right to say what remedy its own citizens have for themselves and their property. The only parallel is the Rome Convention, signed back in 1933—some thirteen years ago—which tried to do the same thing in connection with international air transportation. It has never even got sufficient adherents—and this requires only five nations—to become effective. After thirteen years—most of them without the interference of the war—it has never been accepted and has not become law.

No Limit For Individual Claims

The bill limits liability in case of injury to persons to \$10 per pound, landing weight of the plane with an over-all limit of \$1,400,000, and for property damage to \$4 per pound with an over-all limit of \$600,000. However, it must be noted that if the limit is not exhausted in either of these classes the unused surplus may be applied to the other class, thus making the whole \$14 per pound or the \$2,000,000 limit, as the case may be, applicable to either bodily injury or property damage.

Even more important, while primary liability is imposed, there is no limit placed upon individual claims. Now, any limit is likely to be unfavorable in certain cases to the public, just as the arbitrary imposition of liability is unfavorable to the aviation operator. But if you are going to impose liability, some reasonable limit must be placed upon the recovery of individual claimants to confine those claims to reasonable cost.

As this law is drawn, fantastic limits are available in certain instances. Say only one person is killed or injured and there is no property damage. The whole \$14 per pound or \$2,000,000 limit would (CONTINUED FROM PAGE 20)



W. A. M. Burden

Growth of Flying Hinges on Airport Situation

By WILLIAM A. M. BURDEN
Assistant Secretary of Commerce

The underwriter of aviation naturally wants to see flying grow to the point where losses can be distributed thinly over a broad cross-section of risks.

He has a vital stake, therefore, in the improvement of our airport situation, for it is an extremely important factor in accelerating—or limiting—the development of U. S. civil aviation.

Aviation today is in very much the same sort of situation that the automobile industry passed through in the early years of this century. Our airplanes are not as useful and dependable as they can be, and good airports are too few and far between.

Many Ports Substandard

We have some 40,000 civil aircraft in the United States, just about the same as the number of registered motor vehicles in 1903. We have approximately five times that number of pilots holding CAA certificates. But we have only 4,000 airports for the more than 16,000 communities of the nation, and 445 of these airports are below our minimum standard for small fields.

There is a wide and growing public

interest in aviation which, if given the opportunity, can be translated into the purchase of aircraft until 400,000 planes are in use by 1955. When I say "if given the opportunity," I mean, if these potential buyers are offered a product with real utility.

Greater utility for the airplane will come from two sources. One is the aircraft industry, which has the important task of building safer, easier-to-operate planes. The other source is made up of all the private and public interests concerned with building airports, in which group the road-builders are numbered.

Haphazard Scattering

No matter how fine a plane the aircraft industry builds, it will be of little value unless our present airport system is improved drastically. Indeed, it is hardly accurate to use the word "system" in talking about our present haphazard scattering of landing areas.

One county may have three excellent airports, while a comparable county will have none. To be exact, 1,441 counties, or 47% of all counties in the United States, were without airports in 1944.

In 140 metropolitan districts of the nation, which cover only 1.5% of our land area, there was an airport every 80 square miles, while the remainder of the country averaged only one airport for every 1,230 square miles.

We have improved our airport situation somewhat during the war years, but not in the direction most needed for peacetime aviation. Necessarily we have built large fields for military planes; more than 500 have been completed in

(CONTINUED ON PAGE 19)

Many Phases of Aviation Insurance Business Are Growing Rapidly

There is a lot of activity in the aviation field which reflects itself in the sales and underwriting of insurance. The volume of such business is increasing fairly rapidly, but not exactly as was anticipated.

Perhaps the most surprising development has been in the charter operations, practically all by returned veterans, in both the cargo and passenger fields. It is estimated that at present approximately 300 large planes are being used in such services. The business quickly flowered following the end of the war and has already reached what may be its peak. The charter operators themselves more or less recognize this. They have organized in several sections of the country. For example, the Institute of Air Transportation has been set up for those based in New York. This group has asked for federal control. One purpose is to encourage orderly, perhaps better financed operations. The field may already be over-crowded. Some of the ventures are not too well financed.

Advantage in Flexibility

The advantages of the charter operation over the regular airline is flexibility. The charter operator can go when he gets a load.

The disadvantage from the insurance viewpoint is that charter operators do not have enough hangar facilities. Three or four large charter planes based at the Newark airport burned recently. One organization of this kind recently bought 20 large planes and yet the airport at which they are based has no space to hangar them. The Newark airport fire was caused when attendants drained the gasoline out of the planes inside the hangar, although it was known that there was a short circuit in the hangar wiring. It is not safe to drain gasoline inside a hangar under any circumstances, and certainly not when a short circuit exists.

Most of the charter ventures are financed by floating a stock issue. People readily buy stocks in aviation enterprises because of the wide publicity given the industry and its potential future. One organization sold its entire issue of stock in one day, and the stock doubled in price in one week.

The underwriters are worried about maintenance in connection with charter operations. Many of them do not have a

substantial backlog of money. The regular airlines have airmail contracts. This is a stabilizing factor. When a charter operation starts to lose money, about the only way it can establish a balance is to cut personnel. Also, under these circumstances the management would take chances. It might schedule flights in any kind of weather, for instance, in order to increase income.

Pilot Proficiency

Another question that arises in the minds of the insurance people is how the charter operators are going to maintain pilot proficiency. The airlines have a regular procedure for keeping pilots skilled and up-to-date on instrument flying.

A lot of these establishments have good flyers, but they may not know too much about organization. Underwriters are not too sure they would follow regulations as to permissible gross weight.

The charter operators may not have the same facilities for taking care of and protecting passengers that the regular airlines do. For example they may not have ramps to get passengers on and off planes.

There is a big business currently in the sale of \$50,000 to \$100,000 aircraft to business and manufacturing establishments for use by executives and salesmen. Time and Life Magazine have bought three. Other big concerns that have added planes in recent months are United Drug Company, Continental Can, Johnson & Johnson, Bristol Myers, and General Electric.

Best Type of Business

The aviation insurance markets are very much interested in this type of risk. It is perhaps the best business that they can write outside of the air transport lines. The planes are well operated. Maintenance is perfect. They are well housed. The companies that buy them are using ex-airline pilots to operate them.

PRIVATE FLYING

According to the civil aeronautics administration, there are approximately 6,000 student pilot certificates being issued every month. This held true throughout 1945 and the first quarter of

1946. It is estimated in the aviation insurance business that approximately 35% of such students do not go on through the training period and become pilots. However, this leaves around 4,000 new students who do. All of them are good prospects for aviation accident coverage.

concerned with the possibilities for expanded civilian flying. It is in this field that the agent who is not a specialist and who is not located at points where he can tap the pool of business developed by airlines must find his participation, if he can, in the future.



"I THOUGHT IT WOULD BE SILLY TO CARRY AVIATION INSURANCE WHEN I DON'T EVEN HAVE A LICENSE TO FLY."

Some will go ahead and buy small planes. Some will join flying clubs, which are growing and which are getting some encouragement from the government. This is in addition to returning veterans who have the experience to qualify for a pilot's license.

Even though there has been considerable delay in the development of private flying because post-war aircraft for this market has not come off the production line as rapidly as expected, the interest and potential market are clearly shown in the 6,000 per month student certificates issued. Aircraft manufacturers report large backlog—5,000 is not unusual. Strikes have held up production materially.

It is estimated that by the end of 1946 there will be twice as many private passenger planes as there were at the end of 1945.

Interest in the aviation field for the average agent continues to be chiefly

As far as private flying is concerned, the most important development is expected to be a tremendous expansion in the renting of planes on the "fly-yourself" basis. The amount of this type of flying will probably far overshadow that done by pilots in their own planes. Ownership of planes by private individuals on a scale comparable with automobiles is a notion that imaginative writers and speakers like to dwell on but the realists who know something about the actual conditions fail to find any justification for it.

Barring miraculous developments not even dreamed of at this stage, private flying in this period seems destined to remain pretty much in the class of motor-boats rather than automobiles as far as popular use is concerned. This is due partly to the inherently higher cost of airplanes as compared with automobiles, their limited utility value because of dependence on weather and because

(CONTINUED ON PAGE 18)

Big Rush of Airline Business

In 1945 United States airlines carried a total of 6,621,842 revenue passengers, compared with 4,575,715 for 1944, an increase of 44.7%. Toward the end of the year, as more planes became available, the increase in number of passengers was running higher than 62% over the corresponding 1944 period.

A total of 24,505,243 ton miles of express and cargo were recorded by the airlines in 1945, compared with 17,694,988 in 1944, an increase of 38.4%. In addition there were 460,000 revenue passengers in overseas operations and 8,336,000 ton miles of express and freight.

The air routes for transportation of passengers, airmail and cargo in the

United States increased by 4,034 miles. The total number of route miles which airlines were authorized to fly by the Civil Aeronautics Board reached an all-time high of 66,971 by year end.

The average of seats per plane rose to 19.2 and airline personnel to more than 50,000. Fares were reduced to 4½¢ per mile with a 13% reduction in basic express rates effective the first of

The number of planes in domestic airline fleets reached a total of 402 on Dec. 15, compared with a pre-Pearl Harbor peak of 359, with scores more in process of reconversion and other new models coming off production lines. The overseas fleet totals 100 planes.

Yet the aircraft were still inefficient to handle the increasing demand for seats. It is anticipated that at the end of 1946 the total fleet will be more than 1,414 planes seating 58,284 passengers.



"HERE COMES BROOKINS NOW!"

Analyze and Understand Market to Get Business

By E. J. QUICK

I have thought for some time that the insurance agency must be prepared to write all forms of aviation insurance if it is to give the proper service to the community in which it operates.

Therefore, I have interested myself in aviation matters by taking lessons from a flying school at our local airport. This brought me in direct contact with the buyers of aviation insurance. I have found that if an agent interests himself in aviation matters he soon finds that the chamber of commerce, the trustees of the airport, the pilots' association and many other groups will ask for his assistance.

Nearly every city, village and municipality is thinking in terms of a local airport and a local agent is called upon to be of service.

Fields for Accident Cover

During the war the federal government instigated the civilian pilot training program which produced a large volume of accident insurance and later the war training service produced a volume of accident business. Now under the GI bill of rights the government is giving ex-service men an opportunity to learn flying and these students offer a prospective field for new accident insurance. These students will buy airplanes and I will be in a position to write public liability, property damage, fire and other insurance coverages. I have helped the trustees in buying the proper coverage for the airport. I

to successful civilian flying. They own and operate an average of three planes per school, or a total of 219 planes. Each school will have at least an average of 50 students or a total of 3,650 students in Michigan during the year. These students may not complete their course during one year, but this leads to a potential market for the sale of airplanes, and the manufacturer of airplanes will depend to a large extent on these flying schools for their prospects. In a good many cases the flying school will be the dealer or representative of the airplane company.

There are in excess of 1,100 planes licensed by the state, and the license law has only been in effect about six months. We believe there are between 1,500 and 2,000 planes owned by civilians in the state. That means approximately one plane for each 3,000 people in Michigan.

Net Prospects for Agents

Let's see what this all adds up to:

178 Airports at an average premium of \$1000 per year. This premium will cover fire and extended coverage, public liability and property damage, hangar keepers liability, compensation insurance, auto & trucks and other forms of insurance. (Michigan is planning 300 airports)	\$178,000
73 Base Operators or Flying Schools at an average premium of \$500 for public liability, property damage and passenger liability and compensation (does not include fire or crash insurance)	36,500
219 Airplanes used by flying schools at an average premium of \$200 for fire and crash	43,800
1750 Privately Owned Planes at an average premium of \$200 for fire and crash, public liability, property damage and passenger liability	350,000
3,650 student pilots, at an average cost of \$20 for accident insurance	73,000
500 Manufacturing Plants in Michigan carrying some form of aviation insurance (20 cities with 25 plants each) average premium \$100	50,000
Miscellaneous Insurance. This includes feeder lines and pickup service, also includes various aviation trade association	18,700
Total If two-thirds of the above prospects carry insurance, we should have a premium volume in Michigan of	\$750,000



"MAYBE NEXT TIME YOU'LL SPEND THE EXTRA TWO DOLLARS FOR TOWING."

Aviation Cover in Mexico Has Some Peculiarities

One of the important considerations in foreign air travel, either by airline or by private plane, is the structure of law and regulation in foreign countries as it bears on the liability of the airline or plane operator. Air travel to Mexico has been extensive for some time and several American airlines operate into and in the neighbor country on the south.

SCOP is the governmental agency in Mexico which regulates aviation. It occupies a position similar to the Civil Aeronautics Administration in this country. By regulations it has limited aviation passenger liability for injury or death to 5,000 pesos. This is in American exchange about \$1,000. The passenger pays an extra of 1½% of the fare on 2-motor ships and 2½% on single motor ships to the airline for this 5,000 pesos protection. The airlines use the fee to buy insurance. A similar situation in this country would be if the CAA required the airlines to include the \$5,000 air trip insurance policy with every ticket and the airlines then collected the fee from the passenger.

Property Damage

The property damage liability faced by a plane owner or airline operator is limited only by the value of the property damaged. If an airliner crashed into a building, it might be extremely high.

The situation with respect to workmen's compensation presents some peculiarities to anyone accustomed to the American system. The Mexican federal district, which includes Mexico City and the immediately adjacent territory, is under "social security insurance." This is the only compulsory workmen's compensation required in Mexico, although the federal district is planning on extending its "social security" to other Mexican states. The benefits under the program are high and insurance company rates are correspondingly heavy, perhaps on the average 250% higher than the average U. S. workmen's compensation rate.

Airlines in Mexico with aviators flying out of Mexico City purchase workmen's compensation "on their own" from insurance companies to cover operations outside of the federal district. The problem is whether to carry duplicate coverage, both in the federal fund and in private companies, for full protection against accidents occurring outside the district on flights originating inside. The premium on the federal dis-

trict social security is paid into a government fund.

In general, insurance must be purchased from a Mexican company unless at least three of them refuse to write it, when it can be secured from an outside insurer.

Limit on Bond Penalty

In the bonding field, the practice of Mexican companies is to limit the penalty of the bond to three times the annual salary of the employee bonded. This presents some difficulties since an airliner may carry bank notes from one point to another, undertaking a potential liability immensely larger than the annual income of one employee. The cargo policy does not cover theft by an employee. An air cargo policy may be written to cover everything but fidelity. The writing of fidelity coverage is limited to bonding companies. Approximately 80% of the business is written by one company, and since interchange of information by companies or disclosure of actual records to the employer is prohibited by Mexican law, it is practically impossible to determine the past record of an employee. The bonding company simply states that it cannot bond the employee and cancels his bond.

Bonding companies cannot write any insurance coverages, including burglary, theft, larceny, forgery by other than employees, etc. A group of Mexican insurance men now are attempting to devise a bond for use there that is similar to the American bankers' blanket bond. The problem is to get the insurance companies to write coverages other than fidelity. Any such form devised would have to be approved by the Mexican commissioner.

No O. L. & T. Liability

No liability is provided by law for accidents to persons who come on the premises of a business. Consequently no public liability or property damage policies are written in Mexico on airports or terminals. This is a far cry from the owners, landlords and tenants liability in the United States. Here the custodian of the property is expected to keep his premises in safe repair. In Mexico, however, if a member of the public tripped over a loose board in the office and broke his leg, it would be his fault because he should have looked where he was going.

In 1943 the largest Mexican company was capitalized at 1,800,000 pesos, approximately \$360,000. Only six com-

(CONTINUED ON PAGE 17)

E. J. Quick is president of the Easton & Quick agency at Muskegon, Mich. He has done an outstanding job on aviation insurance production, and is chairman of the aviation insurance committee of the Michigan Association of Insurance Agents. He does not believe in blowing up the possibilities of this field, but he does emphasize the realizable dollars and cents returns available to the agent who knows what he is talking about and who is interested in the welfare of aviation itself.

have assisted our chamber of commerce in raising funds for airport expansion, especially in the acquisition of new land. I have assisted the state aeronautical board in legislative matters.

An agent, in order properly to write aviation insurance must be in contact with the people interested in promoting aviation.

What State Is Planning

The Michigan Board of Aeronautics, under the chairmanship of Thomas Walsh, is leading the way of air commerce development in that state. The staff of trained engineers can assist any community in setting up an airport program. They now have under their supervision 178 airports, consisting of 26 state owned airports, 56 privately owned airports and 96 municipal, county or township owned. They have approved 32 airport sites, and have 29 airports under consideration, making a total of 61 airports in the talking stage.

These figures show the potential premium volume available to the agents of Michigan. The premium volume on fire insurance on airplanes, as reported by the Michigan department of insurance, for the year 1945 amounted to \$92,113.

The analysis of aviation insurance divides itself into two main categories: Scheduled operations and non-scheduled operations.

The scheduled operations are those applying to the 22 major commercial airlines carrying passengers, mail, express, etc., on scheduled routes approved by the Civil Aeronautics Board of the federal government.

The non-scheduled operations include base operators, or flying schools of instruction, and civilian flying. It is this classification that we as agents are interested in.

We have 73 flying schools in Michigan. These flying schools hold the key

schools at an average premium of \$200 for fire and crash	43,800
1750 Privately Owned Planes at an average premium of \$200 for fire and crash, public liability, property damage and passenger liability	350,000
3,650 student pilots, at an average cost of \$20 for accident insurance	73,000
500 Manufacturing Plants in Michigan carrying some form of aviation insurance (20 cities with 25 plants each) average premium \$100	50,000
Miscellaneous Insurance. This includes feeder lines and pickup service, also includes various aviation trade association	18,700
Total If two-thirds of the above prospects carry insurance, we should have a premium volume in Michigan of	\$750,000

Total If two-thirds of the above prospects carry insurance, we should have a premium volume in Michigan of

We are not stretching our imagination at all to consider that during the next three years, there will be one plane for each 1,000 people in Michigan and this will give us one and a half million dollars in premium.

Fred Cox Resigns PR Post

Fred J. Cox, Perth Amboy, has resigned as chairman of the public relations committee of the New Jersey Association of Insurance Agents effective June 1, in order to give more time to his personal affairs and business. A statement by C. H. Frankenbach, Westfield, association president, pays tribute to Mr. Cox's valuable services. Mr. Cox has served the association as president and has been public relations chairman since 1941. He is a former president of the National association. Two outstanding pieces of legislation sponsored by his committee were the Agger-Barton rating and licensing bills. At the 1944 meeting of the state association a plaque was presented him for his work in obtaining passage of these acts.

Many Factors Affect Auto Underwriting Currently

The factors in the automobile insurance picture which seem currently of the most importance to the insurance business and that will likely continue to be so the next year are:

1. Loss ratio. The companies underestimated the situation when putting through rate increases. Costs have kept on going up.

2. Traffic conditions. Among these are included the young driver and disrespect for traffic regulations on the part of almost everyone.

3. The need for sane driving.

4. The strong possibility of higher rates. This will include greater emphasis on the age factor.

5. Underwriting. The companies that have been most liberal suddenly have become the tightest in their underwriting, observers point out. They would like to see the agent use his influence to curb sudden swings from liberality to conservatism. These quick shifts do not do the business any good.

Stadier Underwriting Policy

There is need for a steadier policy of underwriting. It is a good thing for the agent and the business as a whole. Taking aboard a large number of automobile insured on a liberal basis and then tossing them overboard when the going gets rough is unfortunate in its effect on the public.

The inequities in the situation will not correct themselves until 1947, one automobile man believes. However, there is already some slight improvement. Competition among repair shops is increasing somewhat. Veterans are returning to reopen businesses or are entering that field, which is having a salutary effect on repairmen who have been pretty independent during the war.

The increase in rates will help some. New cars will start coming off in some quantity soon.

Need Replacement

However, there still are 27 million automobiles on the road that need replacement.

The bank and agent plan will be a big factor in the business. However, the agent will not get all of the business by way of this procedure. There is still going to be a considerable chunk of business going through the finance companies. The extent of the agent's participation in the automobile business will depend a great deal on how much effort he puts behind the bank-agent plan. Like other good ideas, this one will not work unless it is worked. The agent who puts real thought and effort behind it will find it effective. Many agents who do not do this will discover that it is not, per se, a guarantee of a large insurance volume.

The bank and agent plan is of critical importance for the next 18 months. That is the time when the pattern of the automobile business will be determined for 25 years to come. The agent's participation in the automobile business for 25 years has been a minor one. The volume has been controlled by the finance company in cooperation with the dealer.

May Lose Other Lines

Agents who do not have a successful relationship with a bank on auto business may lose other lines. Automobile dealers are being licensed as insurance agents in many states, which puts them into competition with the agent's customers.

Under the bank-agent plan the agent can have public liability, property damage and medical payments coverages and have them paid for in installments along with the rest of the loan. The bank earns somewhat more under this arrangement.

It will take 18 months for the dealers to catch up with the demand for new

cars. In that time the agent should act because in 18 months he can work the plan out gradually and get it firmly established.

Market Facilities

The demand for market facilities by finance companies may alter their relations with the dealer. Present indications point to handling on a per dealer basis. Each dealer's experience must stand on its own and either be good or the finance company can't take it because of inability to get insurance.

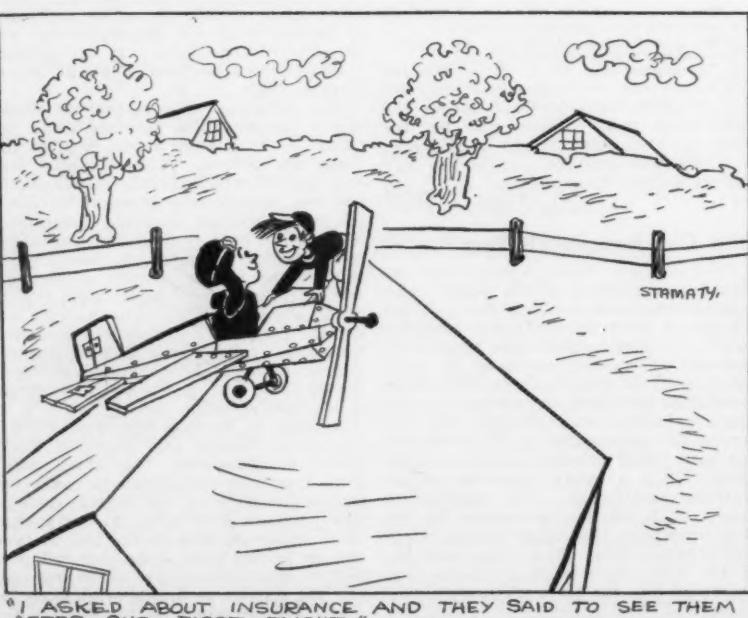
The insurers that are doing a lot of automobile finance business have a ratio of incurred losses to earned premiums of 100% or over. There is little doubt that the companies are not going to be liberal in the underwriting of this type of business in the future. They may stick closely to the bank-agent plan, unless finance business shows an immense improvement.

A.A.A. Figures on Breakdowns

According to the American Automobile Association, in 1945 motorists experienced 36,162,000 breakdowns, compared with 30,703,000 in 1944, and 31 million in 1941. There were 4,510,000 calls for tow-ins, compared with 2,990,000 in 1944. Tire trouble accounted for 11,317,000, or one-third of the trouble calls, with battery trouble next, 6,155,000, and then ignition, 4,546,000. The evidence comes from almost every quarter. In New York state more than 500,000 persons will be involved in highway accidents in 1946, it is forecast by George L. Fox, chief damage evaluator in charge of the safety responsibility unit of the motor vehicle bureau. Of this number 150,000 will not be protected by insurance, he estimated on the basis of previous annual returns. In January 42,456 traffic accidents occurred, compared with 30,496 in 1945 for the same month; February, 31,562 against 27,100, and March 38,000 against 29,351. Total accidents in 1945 were 302,954.

Property damage accidents in 1945 in New York state accounted for a loss of more than \$21,000,000, 56% above the 1944 total. There were 1,052 pedestrian fatalities in the state in 1945, an 82% increase over 1944 despite a state-wide pedestrian campaign conducted most of the year.

Richard Plum, a returned veteran, has become a partner in the Hummel & Plum agency, Circleville, O.



Present Profits, Big Future for Agent in Aviation

By BILL PETERSON

Bill Peterson & Company
Oklahoma City

One Saturday afternoon just as I was closing up my desk, the 'phone rang. It was Tom Johnson, an old friend, recently returned from the army. "Say, Bill," he began, "I have just bought a little plane, can you insure it for me?"

To make a long story short, of course we were able to cover both Tom and his plane because a number of years ago we recognized the potentialities of this type of business, and have since specialized in the handling of aviation business. We were, therefore, able to immediately explain the various coverages necessary and obtain the business.

Some months later, Tom and a friend bought a small airport. This meant the purchase of several other planes and, of course, other necessary airport equipment. And, through the service rendered Tom, we were able to cover the entire operation which includes not only all types of aviation insurance, but fire insurance on the buildings and full coverage on the automobiles of Tom and his partner.

Good Business

This had been good business, and there is a great deal more where it came from. When the field of aviation insurance is compared to that of the automobile in its infancy, some idea of the magnitude of the potential business can be conceived. There can be no doubt that it will grow and develop along almost identical lines as has the field of automobile insurance. Today's insurance agent will do well to keep in mind that the "airplane is here to stay!"

However, the field of aviation insurance is one in which a great deal of "prospecting" and "selling" will have to be done. There are many tedious and unfamiliar angles to this type of business as it appears to the insurance agent today. It will be to his advantage to



Bill Peterson

become familiar with these in order to properly handle the business.

At present, of course, the "aviation business" is comparatively a small trickle . . . but, at one time so was automobile insurance! We predict it will steadily increase to full "steam" proportions, and the agent who does not keep up the pace will be on the sidelines. Just like Tom Johnson and his friends, there are literally thousands of young men trained during the war who will be starting airports or similar aviation projects of their own. As well as Mr. and Mrs. John Q. Public, of all generations, who will be traveling by air more every day. The demand will "snowball" into huge proportions much faster than the agent may be able to keep pace with it.

Earnings Are Good

While it is true that commissions on this type of business appear small to the average agent, the majority of the premiums are large, and if a sufficient volume of business is obtained, the effort put forth to write aviation insurance is justified and profitable. As aviation grows, so will the opportunity for developing aviation insurance and while it is true that the big profits are still in the future, it should be kept in mind that that future is now in the making.

We have recently employed a live-wire young veteran who has been in naval aviation since 1940 and can talk the language and knows the problems of flying. He will spend the majority of his time servicing and developing aviation insurance so that we can maintain the leading position in the aviation insurance field which we now enjoy.

I wish it were possible to give more definite figures and appraisals in all phases of writing aviation insurance, but we, too, are still pioneering the field and from day to day trying to "keep the pace." However, we do definitely feel that in the future the percentage of aviation insurance business on our books will continue to grow and for the wide awake agent who will go after it . . . "There is a gold mine in the sky."

Finds Auto Cover Problems 40 Years Old

Reminiscences of automobile insurance in the early days of electric cars and Stanley Steamers by E. L. Miller, secretary of A. F. Shaw & Co., Chicago, throw an interesting sidelight on the growth of the business.

Mr. Miller recalled the days when automobiles were considered risky and experimental and American companies would insure them only against fire while in a garage. People were afraid the steamer would explode and the gas-powered vehicles would catch on fire, and were nervous about electricity. Cars were rated on a percentage basis by types, usually 2% for electric cars, 2½% for gasoline vehicles, and 3% for steamers.

At that time cars were only made with touring bodies so people had to buy a limousine top, which was insured separately in relation to total value of the car.

Introduce Fire and Theft Cover

When cars were produced in greater volume, in 1907 London Lloyds introduced a new policy covering against fire and theft, and including collision at 2% additional on a rider with a \$50 deductible, which could be waived by payment of an additional \$35. At first, these policies were made up here and sent to London where they were signed and rated and then returned to the states for delivery. Later, Lloyds sent blank forms over already signed.

Mr. Miller noted that even on the percentage rating, experience was bad in the early days. This was mostly because of the frequency of collision due to bad roads, panicky drivers and blowouts. An-

(CONTINUED ON PAGE 17)

Recalls
Problems
(CON)
other tro
headlights
to a tank
fire once
ous.

In rec
produced
steamer m
chene Co.
collision.

paragraph
strated agai
companie
over long
automobil
boat.

Collision
ision of
membered
bile in a
jolting of
against th
was not
damage.

Another
when a
slight gra
down into
collect or
car had co
When w
writing a
scale they
ing practic
There w
way of
high thef
ing on a
not be ea
made tw
with an
and those

Genera
the sam
insured a
age as th
same diff
that is be
Mr. Mill
year-old f

Unusu
Mexico

(CON)
panies w
excess o
Mexican
three gro
companie
alty, fir

Fire in
higher th
of excell
of buildin
possibly
from the
constructed
brick and
ican fire
spection s
The rates
and group
part this
spread o
are approv
sioner and

If a fir
building a
premises,
law, held
his innoc
in order t
ility, wo
tire build
cupied bu
is possibl
cies woul
face of t
the Unit
simply i
the prop
prehensive
ability i

XUM

Recalls Auto Underwriting Problems 40 Years Old

(CONTINUED FROM PAGE 10)

other trouble was the gas or acetylene headlights, which often were connected to a tank on the running board and a fire once started, was liable to be serious.

In recalling the old days, Mr. Miller produced an old Lloyds policy on a steamer made by the White Sewing Machine Co. covering against fire, theft and collision. The old policy had only five paragraphs and could easily be misconstrued by the insured. The policy covered against damage by transportation companies in the days when road travel over long distances was impossible and automobiles were shipped by rail or boat.

Collision under the policy meant collision of the carrier and Mr. Miller remembered a case in which an automobile in a railroad car was damaged by jolting of the train so that it bounced against the ends of the car. The insured was not protected against this type of damage.

Another case of misconception was when an insured parked his car on a slight grade and in a windstorm it rolled down into a river. The insured tried to collect on his insurance, claiming the car had collided with the river.

When the American companies began writing auto insurance on a broader scale they were able to devise a manual which has developed into the rate making practices today.

There was a time when companies were wary of insuring Fords because of the high theft rate. Ford was then producing on a large scale and his cars could not be easily identified. The companies made two rates for Fords, one for those with an approved steering wheel lock and those with no lock.

General practices are still somewhat the same, as in the old days cars were insured at a decreasing rate according to age as they are now. This caused the same difficulty with collision insurance that is being experienced presently and Mr. Miller remarked that this is a 40-year-old problem still to be solved.

Unusual Quirks Found in Mexican Air Cover

(CONTINUED FROM PAGE 15)

panies were capitalized in Mexico in excess of 1 million pesos, \$200,000. Mexican companies are divided into three groups: Bonding companies, life companies, and a combination of casualty, fire and marine.

Fire insurance rates are considerably higher than in the United States in spite of excellent experience. Housekeeping of buildings is exceptionally poor and possibly the good experience comes from the fact that most buildings are constructed of virtually fire proof adobe, brick and tile. For the most part Mexican fire companies do not provide inspection service outside of Mexico City. The rates on hull insurance, both crash and ground, are exceptionally high. In part this is due to the fact that the spread of risk is very limited. Rates are approved by the insurance commissioner and it is mandatory that they be used without deviation.

If a firm or person leases space in a building and a fire starts on the lessee's premises, the lessee is, under Mexican law, held to be negligent until he proves his innocence. Consequently a tenant, in order to protect his possible legal liability, would carry insurance on the entire building. Thus in a multiple occupied building of, say, 100 tenants, it is possible to conceive that 100 fire policies would have to be carried. On the face of it this is of course ridiculous. In the United States the tenant would simply insure his legal liability under the property damage section of the comprehensive liability policy. But legal liability insurance under these circum-

stances is not available in Mexico.

Many of the insurance problems arising in connection with aviation insurance in Mexico are being worked out, and undoubtedly through negotiations on this and other types of coverage differences and difficulties will disappear as time goes on and the increased interchange will lead to better economic and social relations.

The Mexican law, however, does make the owner of property liable in connection with the storing of explosives but again a peculiarity in the Mexican insurance law prohibits writing of public liability insurance to protect the owner's legal liability.

Another strange offshoot of the insurance department's failure to recognize public liability coverage is that effecting automobile liability insurance. These policies exclude coverage for injury to guest passengers and no such coverage is available to any Mexican insurance company. On the other hand, as the automobile is driven by explosive power there may be legal liability on the part of the owner or driver. Consequently with one gesture the Mexican government informs the car owner that he is responsible for the safety of his guests and with another states that he cannot buy insurance to cover such liability.

Aviation "Blue Book" Published

A manual listing current market prices for aircraft and other aviation information has recently been published by George Stromme & Associates, Los Angeles.

Issued in loose-leaf form for supplements and revisions, it contains 10 sections listing procedures and forms in aircraft transference; government regulations; prices of parts, accessories and gliders; and new and used aircraft, on wholesale, retail and loan values.

The manual is entitled "Air Market Values" and lists available airplanes ranging in price from \$300 to \$300,000.

Opportunities . . .

Aviation is expanding. Many more people are flying today than ever before . . . Airlines are being extended . . . Civilian planes are being sold in increasing numbers.

All this means more insurance opportunities for the alert Agent . . . Aviation Accident Policies for everyone who flies, both passengers and pilots . . . Hull and Liability Insurance for airplane owners . . . Liability Coverage for airport operators.

Aviation Insurance is easy to sell. Rates are lower, forms are simpler, and coverages are broader than ever before. Applications are short and easily completed. Technical knowledge of airplanes is not essential.

In placing this new line of business with THE WESTERN, Agents deal directly with the underwriting company and can be sure of receiving the same progressive and friendly consideration which has always characterized WESTERN Service in other lines.

The Western Casualty and Surety Company

The Western Fire Insurance Company

Executive Offices
916 Walnut Street
Kansas City 6, Mo.

Home Office
Fort Scott, Kansas

Central Department
A-1924 Insurance Exchange
Chicago 4, Ill.



AUTOMOBILE FIRE AND ALLIED LINES AIRCRAFT
INLAND MARINE PUBLIC LIABILITY
BURGLARY ACCIDENT AND HEALTH PLATE GLASS
WORKMEN'S COMPENSATION FIDELITY AND SURETY BONDS



Many Phases of Aviation Are Growing Rapidly

(CONTINUED FROM PAGE 14)

there must be some supplementary means of getting to and from the airport and in a very large measure, the high annual maintenance cost of an airplane even though it is used very little during the course of a year.

RENTAL FLYING

Because the ownership of planes seems destined to be confined to comparatively affluent aviators, the man who cannot afford a plane of his own is likely to do his flying on a rental basis. Such service has been available for years but from now on it is expected to reach proportions where it will supply the bulk of the demand from private pilots.

The popularity and practicability of the "drive-ur-self" plan has been proved by many years of experience in the automobile field, even though automobiles have been so cheap to buy and operate that it might be thought there would be little demand for a driverless rental plan. When it is borne in mind that an airplane costing \$2,000 to buy calls for an annual maintenance expense of about \$1,000 it is obvious why the "fly-ur-self" plan should prove popular after the war, when many thousands of pilots will have the necessary qualifications but comparatively few will have the means to buy and maintain even an inexpensive plane for the limited amount of use they could get out of it.

A probable development in this field that will add tremendously to the usefulness of the "fly-ur-self" plan is the establishment of a network of such facilities, under some sort of exchange, pilot having business in Buffalo, for example, could hire a plane in New York, fly it to Buffalo and leave it there with no obligation to bring it back. The machine would then be rented for the return trip to someone wishing to fly from Buffalo to New York. Naturally, for such a plan to be successful there would have to be a considerable volume of business with approximately an equal amount of traffic in each direction.

It seems quite likely that some tie-up will be arranged with the "drive-ur-self" automobile agencies so that a pilot arriving at an airport can get into a car, drive into town, transact his business, drive back to the airport and then climb in his plane and fly home again. A New York City man, for example, could fly to Albany, attend to whatever business he had there and return the same day

with a considerable saving in time over using the railroad.

It might be thought that renting planes to anyone who can produce a pilot's license and demonstrate a degree of familiarity with the aircraft he is renting would result in a bad insurance hazard but the experience has not been adverse and underwriters are not afraid of developments in this direction. As the fly-ur-self system expands the hazards should be considerably diminished.

A pilot who is not known to the management of the renting service will have to be checked by means of a brief flight before being entrusted with a plane. Controls are not standardized. Some planes having a stick control and some a wheel. Some have a conventional landing gear and others have the newer tricycle type. Some have high landing speeds and some land slowly. A pilot who is used to flying in a tandem-seated plane from which he can see the ground equally well on both sides has to adjust his procedure when he changes to a machine in which the seats are side by side.

Fluctuation in Demand

Naturally, it is to be expected that with any "fly-ur-self" system there will be a heavier demand for planes on weekends and probably, as with the driverless car rentals, the scales of charges will be so adjusted as to encourage the use of the planes when the demand is light.

The flying club, in which a number of pilots own a single aircraft, is another means by which the individual can fly without going to the expense of buying and maintaining a plane of his own. However, the flying club is not popular as an insurance risk and aviation insurance men do not believe it will develop to any great extent.

It looks like the helicopter will come along now in volume. Ten years from now one observer predicts that they will be in much greater volume than present small planes. They will make substantial inroads in the use of cars on short trips. The big hazard might be running into wires. Otherwise they will be better risks than the present conventional type of airplane. The wire problem probably can be solved.

Increased Wind Losses

Increasing losses as a result of wind storm have made underwriters particularly conscious of hangar facilities. The new civilian production order channeling materials and labor into veterans' housing probably will mean that there will be few if any hangars built in the next few months. This will have two effects. There will be the deterioration due to



"HE'S BEEN PESTERING EVERY BANK AND LOAN COMPANY IN TOWN. HE OWES \$9200 IN AN AUTO LIABILITY CASE."

weather, and windstorm losses will now be even higher. The increase in this type of loss in 1945 over 1944 was 350%. There were 60 airplanes blown to pieces at Alliance, O., recently at a cost to the insurers of \$350,000.

Parking planes without hangar facilities also has increased theft losses. Planes are not stolen but apparently there is a considerable market for parts. These are taken frequently when the plane is left in the open. Locks are nonexistent or almost useless. Such theft losses have more than doubled in the past year.

A general letdown in hangar housekeeping has led to many fire losses.

Hangar Keepers' Liability

With increased use of hangars the loss ratio under hangar keepers' liability insurance is expected to go up. It already has shown signs of doing so. There is more interest in this type of coverage. The amount of risk has increased tremendously. Damage while the plane is under its own momentum is excluded, but damage as a result of handling, etc. is covered.

Airport liability losses are starting to increase. Underwriters are getting many inquiries about such protection. There are approximately 4,000 airports today, and Congress is on the point of passing

legislation that will add 3,000 more. Because of the antipathy of people living adjacent to existing airports because of the noise, underwriters think that claims against airports under airport liability insurance will increase.

Product Liability

Underwriters are also worrying about product liability which they write on manufacturers of aircraft and aircraft parts and on aircraft repair shops. The possibilities of loss under this coverage already have been dramatically illustrated on numerous occasions. An amphibian plane was being repaired. There was an accident on the airfield at the time and in the excitement the workmen forgot to replace drain plugs. The amphibian went out on a trip, parked on a stretch of ocean water, and sank.

Feeder lines may not develop as rapidly or to the extent anticipated. In Denver two licenses have been issued for passenger, cargo and mail. This is experimental and the permit runs for three years. The two lines will serve a prescribed area. Their experience will provide a basis on which to judge whether this type of operation is economically feasible.

Recalls Faked Insurance Fires

W. E. Finnegan, retiring deputy state fire marshal of Wisconsin, recalls a number of faked fires he has investigated. He noted that the greatest pains were taken in attempts to defraud insurance companies.

He mentioned an elaborate scheme to defraud an insurance company in which a government clerk flew from Washington over the weekend, burned a residence owned by his mother in Wisconsin and was back at his desk on Monday.

Another insurance case was that in which a rich lumber salesman hired an ex-convict to build him a home and burn it before it was completed.

A novel case was that of a theft ring which "stole" cars and burned them so the owners might collect their insurance.

Mich. Traffic Toll Rises

LANSING, MICH.—Michigan accident statistics are not encouraging to automobile insurers. State police reported February traffic fatalities leaped 60% over a year ago; injuries mounted 43%, and the number of reported accidents was up 38%. The month's accident total was 9,383, with 96 deaths and 2,429 injuries. The fatality increase was confined to rural areas, indicating the increased traffic flow outside urban areas since the lifting of gasoline rationing.

INSIGHT TO PROFIT for INSURANCE AGENTS

Mid-States Insurance Company in connection with the General Finance Corporation offers a finance plan through which Insurance Agents not only can retain their present customers, but enjoy a very sizeable increase in customers and premiums.

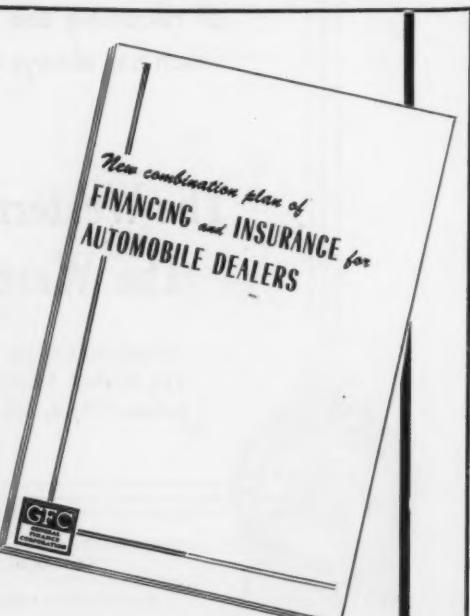
The entire plan is completely explained in our booklet entitled "New Combination Plan of Financing and Insurance for Automobile Dealers".

If you are looking for a workable plan to produce automobile premiums we urge you to send for your copy of this booklet today.

This Dealer-Agent-Automobile Finance Plan means profit for you.

MID-STATES
INSURANCE COMPANY

164 WEST LAKE STREET, CHICAGO 1, ILLINOIS



Aviation to Airports (CONT'D)
the CAA at a total result, we of the last what the sharp com those clas On the decline ports, the From 1,791 it has been small field only a 1 despite the Deterrent
These tem harm airports; do have fi buying a course, wa base for home tow would we which you would be field folks live? Bear Are there I If the "NO," the idea o port in y customer airports in plain with taut factor will give you realizing out more than in the year. That is interest in everywhere proposal "National framed wi for tow populated with larg centers. Need Is E We sub in Novem changes w the airpor revision of we estima New air needing in about \$1 billion for divisi be \$525 million for ance misce As this in general a long-range type has b ference co by the Ho id of \$50 period, to states. It shou after nece act, man construction complete tra traffic ma federal-aid w areas so must se airports must be se plans and tracts let. Let me r for a nati XUM

April 19, 1946

Aviation Growth Linked to Airport Facilities

(CONTINUED FROM PAGE 13)

the CAA defense landing area program, at a total cost of \$400 million. As a result, we have today more than 800 of the largest categories of airports; what the CAA calls class 4 and 5—in sharp contrast to no large airports of those classes in 1939.

On the other hand, there has been a decline in the number of small airports, the so-called class 1 and 2 fields. From 2,117 in 1939, the total dropped to 1,791 in 1944. Since VJ-Day there has been a growth in the number of small fields, but the total has climbed only a little beyond the 1939 level, despite tremendous increases in the number of airport users.

Deterrent to Purchase

These deficiencies in our airport system harm not only the towns without airports; they hurt the towns which do have fields. If you were considering buying an airplane, you would, of course, want to know what kind of a base for operations there was in your home town. But more than that, you would weigh the number of places to which you could fly your plane. You would ask yourself: "Is there a landing field near Smithville, where my folks live? Would I be able to run up to Bear Lake on summer weekends? Are there airports in most of the towns where I do business?"

If the answer to these questions is "NO," the chances are you will drop the idea of buying a plane, and the airport in your town will lose a paying customer simply because there are no airports in other towns. If you buy a plane without considering these important factors, it is very likely that you will give it up in a year or two when you realize how little use you are getting out of it. This is exactly what more than 60% of plane purchasers did in the years 1931 to 1939.

That is why every town has a vital interest in the development of airports everywhere, and that is why we call our proposal for airport construction the "National Airport Plan." It has been framed with the idea of achieving a uniformly adequate distribution of airports—for town and country; for thickly populated industrial regions; and states with large areas between population centers.

Need Is Estimated

We submitted this plan to Congress in November, 1944, and no doubt changes which since have taken place in the airport picture will require some revision of our figures, but at that time we estimated the need as follows:

New airports, 3,050; existing airports needing improvement, 1,625; total cost, about \$1 billion plus another quarter billion for land and buildings. Tentative division of the billion dollars would be \$825 million for site preparation (mostly grading and drainage), \$395 million for paving, \$55 million for lighting, \$11 million for radio, and the balance miscellaneous.

As this is written, a bill that would in general permit us to put into effect a long-range federal-aid program of this type has been reported out by a conference committee and has been passed by the House. It would provide federal aid of \$500 million over a seven year period, to be matched by the cities and states.

It should be understood that even after necessary federal legislation is enacted, many months must elapse before construction can start. States must complete their legislative and administrative machinery for participation in a federal-aid airport program. Metropolitan areas which have not already done so must set up community plans which fit airports into their proper place. Sites must be selected, detailed surveys made, plans and specifications drawn up, contracts let.

Let me make plain that the CAA plan for a national system of 6,300 airports

in no way is intended to set a maximum. Beyond this there is plenty of room for private enterprise or local government to develop fields at locations where there is not sufficient national interest to justify federal expenditure.

As private flying expands, we will need many thousands of additional landing areas, which will constitute the secondary or dirt-road system needed to fill out our pattern of ground facilities for civil aviation.

The financial responsibility for such landing areas will be a local one—state, county, and municipal—just as is the financial responsibility for our subsidiary roads system and our streets. It is

likely that 20,000 such landing areas ultimately will be required to serve the 15,000 incorporated communities of the United States.

Driving Aids for Disabled Veterans Are on the Way

Progress in getting automobile driving aid for disabled war veterans into volume production has been consistently good since the devices left the research stage. A survey recently was completed by the Automobile Manufacturers Association at the request of the Amer-

ican Association of Motor Vehicle Administrators.

The special equipment is intended to compensate for every known combination of limb amputations suffered by veterans as a result of combat or other injury. Hand controls include throttle, brakes and gear-shift levers for left and right hand operation, a special knob for steering, electric signalling lever, buttons for control of lights, starter lever and a flip switch to throw the clutch to manual or automatic control. There is a hill holder unit, so that a handicapped driver is able to hold a car from rolling backward on an upgrade when temporarily stopped in traffic.



Your insurance office may be in Little Rock or Phoenix but you can participate in world wide trade. As surely as the potent energies of peace drive away the waste of war we will witness the reopening of old and the opening of new world markets.

A weary world is calling for products made in your home town. Ships of the sea and clippers of the air will bear American made products to the crossroad of East and West. Your share in this trade can be made certain by your profitable use of our underwriting facilities. Now is the time to

confer with your local factories and work out a tailor made package of protection for their overseas shipments.

Under broad and elastic marine coverages the shipper secures property protection from local warehouse to warehouses of foreign consignees.

If you will consult with us we can assist you in opening new avenues of revenue and new mediums of service. Part of our foreign trade so inevitable and so necessary to national welfare can be yours.

111 John Street

Wm. H. McGee & Co. New York 7, N. Y.

Underwriters of Everything in Transit

CHICAGO

ATLANTA

LOS ANGELES

BALTIMORE

TORONTO

SAN FRANCISCO

Sees U. S. Liability Legislation as Menace

(CONTINUED FROM PAGE 13)

be available to that individual and he would have primary liability imposed in his favor to assist him in getting as much as he could produce testimony—fraudulent or not—to justify.

Relieves Technical Owners

Perhaps the most important point to the airlines, and possibly others borrowing on equipment as security, is the provision that persons or corporations having a security interest in or title to aircraft under sales agreements, equipment trusts, etc. shall not be liable as such, unless the aircraft is in their possession or control. With the large financing being done or contemplated, the laws of a few states are very embarrassing since they impose absolute and unlimited liability on the owner of the aircraft for damage to innocent third parties and their property on the ground. (Sec. 5 of the so-called uniform state law for aeronautics).

Unless changed during the past year these jurisdictions are: Delaware, Hawaii, Indiana, Nevada, New Jersey, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Ver-

mont, Wisconsin, Montana and Wyoming, the liability being applicable only to forced landings in the last two mentioned states. Maryland and Georgia make proof of damage *prima facie* evidence of liability.

As a matter of fact these drastic laws are most harmful to aviation as a whole. Even a millionaire is taking a chance on bankruptcy if he owns or operates a plane in those states without fantastically high limits of insurance for public liability and property damage because a plane can and has done more than a million dollars worth of property damage alone by crashing on a building, setting it on fire. For the sake of aviation these laws should be repealed immediately and we believe that with the aid of state aviation officials and others really interested in aviation they can easily be repealed with little effort as was done during 1945 in Michigan and Minnesota.

These "land damage" laws are not necessary for the protection of the public. Our courts have consistently held the aircraft operator liable for injury to innocent persons and property on the ground but by leaving the matter to our already established court procedure, instead of arbitrarily imposing absolute liability, the aircraft operator at least has a chance to prove he was not responsible for the damage. However, the existence of these local conditions should justify

neither taking liability out of the control of the states and placing it in the federal government nor increasing the cost to aviation.

In using the term "imposed liability" a rather common misunderstanding must be considered. Many people believe that an airline or any aviation operator is liable under the law from the mere fact that a person is injured or property is damaged by the operation of an aircraft. This is not the case and, in justice to all concerned, should not be the case. Our forefathers struggled for centuries against the injustice of an accused being presumed guilty until he proves his own innocence.

The result of this struggle is our present common law system of justice—the privilege of trial by a court in which both sides of the question are heard and the accuser is required to at least show that the accused has done some wrong. In other words, the burden of proof is on the plaintiff. That is our present law with respect to aviation, (except in those few states referred to above which arbitrarily impose liability on the aircraft owner and operator by a statute). This is reactionary—a step backwards in the progress of justice.

We all know that our courts look with sympathy, even partiality, upon the claimant and where justice is served, find some way to give him relief. But both sides are protected in that a citizen can not be hauled before a court unless there is some evidence of wrongdoing (which is why the burden is properly on the plaintiff) and once there he has to answer for his wrongdoing, rather than defend himself against unproven accusations.

It has been said that this simply applies the doctrine of *res ipsa loquitur* discussed above to all airplane accidents. That may be quite correct, but the doctrine is not properly applicable to all aviation accidents and the question is whether it is just to arbitrarily apply it to all aviation accidents. All planes are not necessarily in the sole control of the defendant. The doctrine has been very properly denied in many cases, for instance, when another person was at dual controls.

The flight of an airplane is subject to the elements over which the operator has no control. All airplane accidents do not ordinarily happen because of negligence. Some are definitely caused by a third party—erection of obstructions of which the operator had no knowledge or opportunity to learn about; being flown into by another plane. Accidents also happen because of failure of structure or functioning of instruments or equipment. Accidents happen because of the intervention of the elements—an act of God, all causes for which the operator should not be held liable under the presently established rules of law—provided he exercised the required degree of care to avoid the damage.

NO SURVIVORS

To show the injustice of this burden of proof it is often argued that in many airplane accidents there are no survivors and no eye-witnesses. This operates with equal disadvantage to both parties and in justice there is no reason to prefer one against the other. As a matter of fact, the disadvantage is less to the claimant in aviation than in most industries because more detailed records are available as to aeronautical operations than in most industries and allegations of negligence, if present, are more available and supportable.

Public inquiry reveals all of the facts with impartiality to both sides. There appears to be no justifiable foundation for setting aviation apart for the arbitrary imposition of guilt beyond that applied to other industries. In cases in which the claimant really can not produce proof of negligence, the instrumentality was in sole control of the defendant and where the injury would not ordinarily occur without negligence, a doctrine which presumes evidence of negligence from the happening of the accident is often found applicable, thus assisting in getting the claim before the court. This doctrine is known as *res ipsa loquitur*—"the thing speaks for itself." Of course, this presumed evidence is rebuttable.

Liability may be imposed absolutely—in which case no defense against negli-

gence is allowed—or for want of a better word, primary liability may be imposed—in which case a specified defense is permitted. H.R. 4912 imposes primary liability. It provides that the air carrier or owner of an aircraft shall be liable for injury to persons and damage to property on the surface (land or water) unless he affirmatively proves (1) that he has taken all possible measures to avoid the damage, (2) that the damage was caused or contributed to by the person injured or whose property was damaged, or (3) that the damage was done in an airport area.

It has been said that this simply applies the doctrine of *res ipsa loquitur* discussed above to all airplane accidents. That may be quite correct, but the doctrine is not properly applicable to all aviation accidents and the question is whether it is just to arbitrarily apply it to all aviation accidents. All planes are not necessarily in the sole control of the defendant. The doctrine has been very properly denied in many cases, for instance, when another person was at dual controls.

The flight of an airplane is subject to the elements over which the operator has no control. All airplane accidents do not ordinarily happen because of negligence. Some are definitely caused by a third party—erection of obstructions of which the operator had no knowledge or opportunity to learn about; being flown into by another plane. Accidents also happen because of failure of structure or functioning of instruments or equipment. Accidents happen because of the intervention of the elements—an act of God, all causes for which the operator should not be held liable under the presently established rules of law—provided he exercised the required degree of care to avoid the damage.

Increased Cost to Aviation

We have considered the fundamental disadvantages of federal liability legislation in connection with the invasion of states rights by centralizing authority in the federal government and the discrimination against aviation of such laws, including H.R. 4912. We have not attempted to discuss the legal question as to the doubtful constitutionality of such laws. Now we should consider the more intimate subject of cost—where they, and specifically H.R. 4912, hit the pocketbook of aviation.

First let's understand that this bill is not necessarily applicable only to airlines. The word "aircarrier" is used and we ordinarily associate this word with air common carrier. The applicable definition is from the civil aeronautics act of 1938 which defines "aircarrier" as "Any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation" and a "citizen" is "An individual, partnership, or corporation." The act may therefore apply to anyone flying.

Next, when we speak of cost, we do not mean cost to insurance companies, but cost to the aviation industry. Whether the risk is insured or uninsured, the industry finally bears the cost. The use of insurance is simply the wise way to distribute the burden rather than to let

it fall on individuals.

As has primary sult in law suits but dem aviation to run the assist in call of the money. money, court cos penses of law suits verdict falls on Then, w which th imposed, inviarable

Few av since an ability clai can be r fact that the most has to c amicable gation. Imposed, defense t the case paid the mand wi for a lar than a cl H.R. 4

liability, the amo "catastrof us kn are exce de ter, almo thinking amount

When even to the burden o the amo increased c often cas it rec meritorious p nated

of this sa over Bell

Lather

over

Bell

950

XUM



150 Insurance Companies Have DICKSON

JAMES F. DICKSON, JR.
Owner and Manager

COLIN L. WARD
Office Manager

SAMUEL J. BUTLER
Manager Automobile and Aviation Dept.

T. M. Vining
Fire & Inland Marine

EUGENE F. LAND
Liability

JOHN M. WATERS, JR.
Property Damage

RAY J. REEVES
Automobile

S. COOPER
Compensation

In addition, we have seven capable women who have had years of experience in Claim Work.

do the investigating and adjusting. Prompt, Efficient, 24-Hour Service—by Airplane with Our Own Plane and Licensed Pilot.

Departments Under Management of Experienced Men:

**AUTOMOBILE — CASUALTY
FIRE — INLAND MARINE
FLOATER — AVIATION
COMPENSATION**

Your Inquiry Is Invited

AIRCRAFT LOSSES



CLAIMS SERVICED BY PLANE

Territory:

MARYLAND - DISTRICT OF COLUMBIA - VIRGINIA

Aviation Service to: WEST VIRGINIA - NORTH CAROLINA

**DICKSON
ADJUSTING COMPANY**
HEURICH BUILDING

*Phone REpublic 6389 1627 K Street N. W. WASHINGTON 6, D. C.
Nights and Holidays: WARfield 2269 or Michigan 6390



Charred skeletons of some of the 17 planes destroyed by fire stand in front of the gutted Southeastern Air Service at the municipal airport in Atlanta. The fire loss in planes was estimated at \$75,000. (Acme photo)

it fall with paralyzing effect upon the individual unlucky enough to suffer the loss.

As has been stated, H.R. 4912 imposes primary liability. This will inevitably result in a greatly increased number of law suits. Law suits are tried by lawyers but demand a large amount of time of aviation operators who are busy trying to run their own business but who must assist in preparing the case and be at the call of the court to give necessary testimony. This costs aviation time and money. Law suits also cost a lot of money, paying lawyers to try them, court costs and expert witnesses and expenses of all witnesses. Often the cost of law suits far exceeds the amount of the verdict finally rendered and this cost falls on both the plaintiff and defendant. Then, when a plaintiff is successful, which they usually are when liability is imposed, the cost of settlement is almost invariably higher—much higher.

FEW NOW LITIGATED

Few aviation claims are now litigated, since an effort is made to settle all liability claims if a reasonable agreement can be reached with the claimant. The fact that negligence must be proven is the most powerful weapon the adjuster has to convince the claimant that an amicable adjustment is preferable to litigation. But when liability is primarily imposed, subject only to an affirmative defense that is the burden of the carrier, the case almost automatically goes to the jury. Almost everyone who is not paid the full limitation or his full demand will prefer to take their chance for a larger award with a jury, rather than a claims adjuster.

H.R. 4912 not only imposes primary liability, but provides no limitation on the amount of individual claims. Only a "catastrophe limit" is provided and all of us know that catastrophe accidents are exceedingly rare. Some top limit is highly desirable but, as a practical matter, almost all claims should come under the top limit. However, the claimant's thinking is limited only by the greatest amount he can get.

When liability is arbitrarily imposed, even to the limited extent of shifting the burden of proof, it is essential to limit the amount of recovery to keep the increased cost of such liability within economically practicable limits. There are often cases in which any practicable limit on recovery will not adequately cover a meritorious claim. But the disadvantages of imposed liability must be compensated by the disadvantages of limited

liability. Two wrongs do not make a right, but if one is imposed the other must be there as a check. Would the provision of an individual limit correct this situation? The answer must be negative.

The imposition of liability is the difficulty here, and the limitation would only help control the injustice. Any limit that could be acceptable—and certainly has any chance of being retained in the law—would operate to increase litigation and cost. Where there is a maximum limitation specified, the tendency is to approach the maximum in demands, regardless of the merit of the claim. Theoretically, this is taken care of by the fact that the amount is named as a maximum limit and no more of the maximum should be paid than the circumstances justify. Practically, it does not work out that way.

The present law, which leaves the protection of all parties to judicial determination, under rules developed in the interest of justice throughout the centuries, gives everyone his day in court and the opportunity to prove the merit of his claim and, except in the few states which arbitrarily impose a limitation, award damages in accordance with the merits and with almost universal sympathy for the claimant. Personally, we have not lost confidence in our courts of justice and firmly believe that justice is more nearly dispensed—in the interest of the public—than when regimented by arbitrary statute, sacrificing justice for the few to the appeasement of the many.

If we assume that reasonable limitations can be written into law—and, more important, held at the stated amount—such limitations would appear to be some insurance against a higher trend of verdicts. This thought deserves serious consideration and we do not attempt to give the answer. It must always be kept in mind, however, that such protection is extremely doubtful and transitory. There is every probability that the limitation will be increased as soon as some prominent citizen or politician is killed or some rare disaster occurs and the inadequacy of the limitation is impressed upon Congress.

When federal jurisdiction has been established by passage of a federal liability law—H.R. 4912 or any other—any increase will be difficult to control since it can be passed at any time simply by action of Congress and of course, will be effective immediately all over the country. Also, once the jurisdiction of Congress or federal bureaus has been established by taking over liability jurisdiction from the states—by the passage

itself—the door is wide open for bills which are objectionable and for similar control with respect to most other business and industry.

These arguments do not affect the desirability of a treaty involving international transportation, as other factors which outweigh the disadvantages must be considered when the operation is in many countries and under greatly varying laws. The opportunity of obtaining justice under our own law is very different from that which confronts a foreign claimant in a foreign land and under foreign law.

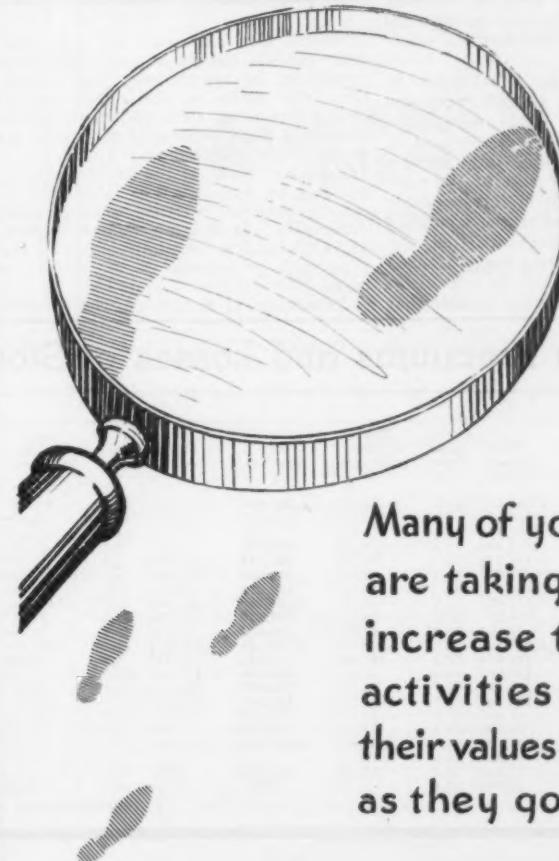
Defeatist Attitude Noted

We have noted constant pressure for this type of legislation and have encountered a curiously defeatist attitude on the part of some in aviation and a good many lawyers. The feeling seems to have crystallized over a number of years that of H.R. 4912 or any such law, even though there is no objection to the bill

there is going to be liability legislation so we had better take the best we can get. Criticism without a constructive alternative is never impressive. However, the necessity of a remedy must rest upon a condition not adequately provided for. We can not see where a remedy is needed in actual practice. Our present laws appear to be taking care of the situation with as much justice to all as is obtainable in any other industry. We believe that acquiescence by many in aviation and by many lawyers is based upon theoretical fears born of unfamiliarity with a new subject to which too much mystery has been attached.

Regardless of the pious protestations that this type of legislation is an attempt to aid the development of aviation, we have tried to call attention to the results of this type of legislation which appear to us as detrimental to both the public and aviation. If the position is sound there appears no excuse for the support of federal liability legislation in the form discussed or similar forms.

FOLLOW UP



Many of your clients
are taking steps to
increase their own
activities check
their values and forms
as they go forward

THE YORKSHIRE INSURANCE CO., LTD.
SEABOARD FIRE & MARINE AND THE
YORKSHIRE INDEMNITY CO. OF N.Y.

90 JOHN STREET --- NEW YORK CITY

CENTRAL KANSAS ADJUSTING COMPANY

Fire — Automobile — Inland Marine — Aircraft

Wm. H. Moore, Manager

INVESTIGATIONS — ADJUSTMENTS

WHEELER KELLY HAGNY BLDG. — WICHITA, KANSAS

Telephone 4-9369

Member National Association Independent Insurance Adjusters



Rather than risk a landing in a school yard where there were children, the pilot of this small plane chose to land on this rooftop when engine trouble developed over Bellflower, Cal. Roof and plane were damaged badly. (Acme photo)

Stock Fire Auto Premiums 20.1% Ahead; Loss Ratio Is 57.1

Stock fire companies take small comfort in the fact that their automobile premiums in 1945 went ahead by 20.1% because at the same time the dollar volume of losses paid increased 24.5%. The loss ratio last year was 57.1 as compared with 54.5 on 1944 business and 47.7 on 1943. On an earned and incurred basis the ratio would be much worse because the last two months of 1945 were a headache and many incurred losses that would ordinarily be closed with dispatch could not be settled because of delay in getting repairs made.

Although the premiums were much greater the stock fire companies as a group were still far behind the lush premium years of auto financing before the war. The premiums are still more than \$100 million shy of the 1941 record. However from an agency standpoint the 1945 record was undoubtedly the best yet, for only a small fraction of the premiums were on financed cars whereunder the finance company or auto dealer or both captured the commissions.

This year should be a whopper in auto premiums even though new car sales do not assume real proportions. During the first quarter of 1946, it is estimated auto premiums are up by some 30% and for the rest of the year the king sized increases in collision rates will be collected. Due to the condition of prosperity the chances are that the higher rates will not drive many assured from the market.

A few companies have a hunch that

the turn is approaching in automobile underwriting results and are exerting a modest amount of pressure for business. Most companies, however, are treating automobile business as something the cat brought in and are rationing their agents, depending upon how much fire business goes with it. The companies have developed a resistive attitude in the automobile field. Many agents are

Hartford Fire remains in second place and American Auto Fire, with an increase of 25.9%, is still third. It is less than \$200,000 behind Hartford.

Automobile got a much stronger grip on fourth place with a premium increase of 24.7%.

Home outdistanced General Exchange and advances to fifth position. Its premium gain was 18.1%.

TEN STOCK FIRE AUTO LEADERS

	1945 Prems. \$	1944 Prems. \$	% Inc. in Prems.	1943 Prems. \$	1942 Prems. \$	1941 Prems. \$
1. Travelers Fire ...	8,097,661	6,712,141	20.6	6,173,515	4,895,162	5,115,160
2. Hartford Fire ...	7,467,790	5,860,269	27.4	5,535,569	5,741,210	7,760,264
3. Am. Auto Fire ...	7,284,451	5,785,504	25.9	5,104,233	4,706,080	4,863,192
4. Automobile ...	5,454,634	4,374,565	24.7	4,113,912	4,125,021	4,061,686
5. Home ...	4,767,347	4,023,361	18.2	3,718,225	5,950,721	26,081,500
6. General Exchange ...	4,549,240	4,367,825	4.1	5,453,169	8,459,794	39,620,518
7. Firemen's ...	4,366,939	3,978,131	9.7	3,757,957	3,704,913	3,892,864
8. Fidelity & Guar. ...	3,925,846	2,955,505	32.8	2,610,671	2,509,800	2,705,859
9. National ...	3,496,227	3,066,600	12.1	3,069,677	3,241,156	4,847,415
10. North America ...	3,428,754	2,739,505	25.1	2,519,881	2,680,697	3,591,445

shopping for facilities. As one company cancels out or imposes restrictive conditions its agents seek new connections and many of the companies are slow to take on such applicants unless there is a good volume of profitable fire business for sweetening.

Travelers Fire, for the third successive year, is in first position in respect of auto premiums written among stock companies. It had a premium increase of 20.6% and is the only company this year with premiums of \$8 million or more.

Advancing at a rate of 27.4% Hart-

ford Fire managed to make a small increase in premiums last year after being on the toboggan since 1941 when it had the gigantic total of \$39,620,518, the largest auto premium volume of any type of insurer in history.

Firemen's continues in seventh position, Fidelity & Guaranty Fire, with a gain of 32.8 which was the largest percentagewise of any of the big 10, moved into the eighth spot ahead of National Fire.

North America, with a 25.1% increase, is No. 10 this year, taking the place of Aetna Fire.

Bank Financing Aircraft Purchases

Some time ago the bank of Jamestown, N. Y., developed with the manager of the local airport there a plan to finance purchases of aircraft. According to Howard N. Donovan, vice-president of the bank, the program followed very closely the pattern used by the bank in connection with the financing of automobiles. It includes financing of aircraft on a wholesale basis as well as retail.

Arrangements now are being made with the manufacturers to release aircraft to approved dealers without cash payment by the dealers but with the bank's guarantee for payment, to be secured by the manufacturer on a draft basis. A used aircraft floor plan also is available to dealers, but advances are restricted to 75% of the plane's value.

The retail aircraft purchase plan provides for the financing of new aircraft subject to regulation W, with one-third down payment and 12 months' maximum maturity.

Insurance on a deductible or participating basis is obtained for the customer and the bank, and the premium cost may be included in the financing if the customer wishes. All financing forms and documents are provided for the dealer by the bank, the application being simple and easy to complete. After purchase under the retail plan, coupon payment books are issued to the customer.

Automobile Premiums and Losses of Stock Fire Companies in 1945 and 1944

	1945			1944			1945			1944		
	Net Prems. \$	Paid Losses \$	Loss Ratio %	Inc. or Dec. in Prems. \$	Net Prems. \$	Paid Losses \$	Loss Ratio %	Inc. or Dec. in Prems. \$	Net Prems. \$	Paid Losses \$	Loss Ratio %	Inc. or Dec. in Prems. \$
Aetna Fire ...	3,052,391	1,758,567	57.9	244,535	2,867,856	1,511,779	53.8	451,275	193	64.8	259	39
Agricultural ...	755,866	64.2	192,580	985,139	575,384	58.2	105,015	56,238	23.2	351	23,862	12,621
Albany ...	103,608	57,932	56.3	15,883	87,725	56,036	64.4	1,580	152,169	70.4	28,634	187,768
Allemanic ...	180,916	129,590	71.3	18,384	162,536	78,219	48.2	24,030	—	—	2,611	94,895
Alliance, Eng. ...	316,209	162,747	51.2	34,165	282,044	139,156	49.3	7,052	304,143	55.9	21,001	18,7
Alliance, Pa. ...	385,735	198,421	51.4	77,539	308,194	154,420	50.0	24,703	2,591,319	47.5	1,080,069	4,374,565
Allied, N. Y. ...	263,626	66,237	32.1	44,697	158,929	29,437	18.3	40,461	174,430	17.1	993,507	1,881,286
Allstate Fire ...	2,532,528	1,596,619	63.0	—1,970	2,534,458	1,220,043	48.1	400,706	245,882	62.9	60,210	329,753
Am. Alliance ...	228,224	119,404	52.2	39,347	188,877	97,723	51.3	22,867	2,816	3,157	195,056	59.3
Am. & For. ...	97,957	52.5	52,906	128,824	56,105	43.8	26,416	6,973	2,295	3,157	2,059	446
Am. Au. Fire ...	181,730	123,077	24.1	467,325	43,045	917	2.3	43,045	1,017,892	68,054	80,327	584,488
Am. Av. & Gen. ...	510,371	224,804	56.7	32,447	330,840	178,909	52.9	23,338	119,948	56.6	84,010	937,565
Am. Central ...	413,287	229,867	56.7	55,496	526,607	350,170	66.5	45,317	602,086	349,976	135,726	533,360
Am. Eagle ...	582,103	229,327	56.5	—1,565	433,931	241,354	56.6	97,971	17,353	13,997	2,202	15,151
Am. Equit. ...	432,366	244,327	56.5	—1,565	60,883	82.3	—17.818	—	403	57	8,074	53.2
Am. Fire, Tex. ...	46,624	45,472	97.4	—26,905	72,539	60,883	82.3	—	102,223	59,388	14,201	88,022
Am. Home ...	113,511	65,899	57.5	24,453	89,058	51,641	57.2	12,398	119,948	56.7	44,395	10,781
Am. N. J. ...	1,706,472	984,720	57.9	439,422	1,267,050	762,014	60.2	—150,444	265,350	117,305	103,999	161,351
Am. Fidelity ...	7,717	857	10.4	—	—	—	—	—	Buffalo	481,077	262,922	54.7
Am. Mot. F. ...	258,418	65,282	25.2	10,820	247,598	94,787	38.1	78,592	92,709	388,568	214,999	56.2
Am. Reserve ...	37,250	33,276	89.9	\$,315	28,935	27,012	93.1	—2,302	119,172	147,099	123.5	—29,666

(CONTINUED ON THIRD COVER)

SCOTTISH UNION AND NATIONAL

Insurance Company

HARTFORD, CONNECTICUT

J. H. Vreeland, Manager

AMERICAN UNION

Insurance Company of New York

Administrative Offices: HARTFORD, CONNECTICUT



• A complete portfolio of lines is written: Fire, Windstorm, Earthquake, Automobile, Sprinkler Leakage, Rents, Use and Occupancy, Inland Marine, and Riot and Civil Commotion.

CENTRAL UNION

Insurance Company

Administrative Offices: HARTFORD, CONNECTICUT

New S
in Phy
if there v
should be
so far as
ample fo
Now w
present
bring t
mind. I
pitching
long tim
time—ju
as far ba
We co
sheets. T
it probab
Certainly
experience
of the ch
of the ad
present
for too i
ports of
enough in
is subject
the sheets
ability o
The p
information
exposure
bor, the p
ported o
Because t
actual val
growth o
only on
of liability
help to c
not repor
calculate
cost, the
ability fa
cause of
frequent
no clue to
We ha
perience
the pres
under co
When th
olved n
Harbor, a
among c
Harbor, t
that we
from t
hard pre
When th
time for
wondered
emergenc
would no
ous larg
fore the
that wou
Since
changes
more cle
would ha
This i
ence on
new to
rience, p
statutory
derwritten
at one ti
that tha
our prob
Under
panies w
lations.
recorded
checked,
tion. Th
whole p
and cons
as thoug
record t
in the fir
media a
possible
An ou
by the s

New Statistical Plan in Physical Damage Field

(CONTINUED FROM PAGE 2)

If there were direct control, the industry should be encouraged to regulate itself so far as it can be accomplished effectively." In these two quotations we find ample food for thought.

Now we come to the limitations of the present method. I think it perhaps brings unpleasant thoughts to your mind. I have seen them both from the pitching and catching end for quite a long time. It has been in use for a long time—just how long I do not know, but as far back as I can remember.

We collect the experience on large sheets. The method is antiquated though it probably was adequate when adopted. Certainly the method of gathering experience statistics has not kept abreast of the changes in the business itself, nor of the advances in office machinery. The present method is inflexible and provides for too infrequent reports. Annual reports of experience are not frequent enough in the automobile business which is subject to such rapid changes. Second, the experience as reported on the sheets is arranged one way—no possibility of any rearrangement.

The present method is limited as to information. There is no dependable exposure reported. Prior to Pearl Harbor, the limit of liability, which was reported on the sheets, had some value. Because of the rapid growth of the actual value form of policy, and the rapid growth of the collision coverages written only on the actual value basis, the limit of liability in recent years was of little help to us. The number of losses are not reported and, as a result, we cannot calculate the loss frequency, the loss cost, the average size of loss, nor a credibility factor. The present method, because of infrequent reports, precludes the detection of trends. Reports more frequent than annually are necessary if trends are to be measured and reflected promptly in rates. Annual reports give no clue to the trend during the year.

We have seen the need for better experience statistics and the deficiencies of the present plan. The new plan has been under consideration for a long time. When the annual call for experience involved numerous sheets, prior to Pearl Harbor, there was much dissatisfaction among companies. Shortly after Pearl Harbor, early in 1942, it became obvious that we could not get detailed information from the companies which were so hard pressed with wartime problems. When the simplified and shortened wartime forms were devised, we naturally wondered what we would do when the emergency was over. We hoped that we would not have to go back to the numerous large sheets which we had had before the war. It seemed to us as though that would be a reactionary step. We should go forward to something better.

Since that time there have been changes in the business which indicated more clearly than ever before that we would have to go to something better.

This idea of the reporting of experience on punch cards is, of course, not new to the business. Burglary experience, personal accident, Massachusetts statutory public liability, Canadian Underwriters Association have all used it at one time or another. It seemed to us that that would be the best solution to our problem.

Under the old forms, each of the companies was required to make long tabulations. The information tabulated was recorded on the sheets which are then checked, typed and sent to the association. The association then reverses the whole process and punches cards from the company reports which are analyzed and consolidated by machine. It seems as though it would be much better to record the information on punch cards in the first place and avoid all those intermediate steps, each of which involves a possibility of error.

An outline of the idea was presented by the staff committee to our board of

directors which referred the subject to a committee of specialists from a number of companies for further investigation. The statistical committee of the association, created by the board of directors, have developed the plan to its present state.

There are three features which I think we should consider. The "how," the "when," and the "what" of this plan. The "how," of course, is the medium by which the experience is to be reported. The plan provides for the reporting on punch cards—the premiums monthly on unit cards or, at the option of the company, quarterly on summary cards, and the losses monthly on unit cards only. The statistical committee fully realizes that there are companies who are not in a position to do this, and they have provided that special arrangements may be made. This provision was not specific for it was realized that each company's problems would be different and would require special consideration. We do not know just what the solution might be. It might be getting the cards punched outside of their organization, in their own town. It might be the submission of a boudreau of each item; it might be the development of what amounted to a summary from their own records. Those are things about which we cannot be arbitrary. We realize that companies have their own peculiar problems, and we propose to solve those problems as best we can, as we come to them.

Time Element

Next, the "when," which is very important. The premiums are to be reported monthly on unit cards or quarterly if the company chooses to report them on summary cards. The losses are to be reported monthly on unit cards.

The "what," of course, is also important. It is the direct business of the automobile physical damage coverages for the states to be designated in the final plan. In mentioning states, I might mention that we are hopeful that the plan will be acceptable to all states, even those outside the jurisdiction of the National Automobile Underwriters Association.

The information to be reported can be divided into three general categories. First, the identification, which involves the company number, the accounting month and year, and the nature of the item being reported. The assignment of the company code numbers will take care of fleets of companies as well as individual companies. It will take care of departmental reporting such as a company who reports their eastern business from New York, their middle west from Chicago, their southern business from Atlanta, and their Pacific Coast business from San Francisco. These departmental offices will be assigned separate codes so that the items they report can be identified.

Classification

Classification information starts with the effective date and the expiration month and year. That information was selected in place of the term of the policy so that the key-punch operator could punch what she saw on the daily report without having to calculate the term. This information on the premium card makes possible the calculation of the earned exposure and earned premiums. On both the premium and the loss cards, it enables us to calculate the experience by policy term. This is very important because in the automobile physical damage coverages we have much business that runs beyond a year, in various terms up to 24 months, due to finance business. We are also able from the effective and expiration month and year on both the loss and the premium cards to compile policy year experience. This is new in the automobile physical damage coverages, but has been found very helpful in the casualty automobile lines.

The state and territory need little comment, as these provide the means of measuring the territorial variations in hazard. The classes are largely determined by the manual classifications. Where there are classifications of the

(CONTINUED ON PAGE 24)

MAXIMUM SERVICE

at minimum cost is Bituminous rule

From the very beginning of its 29 progressive years of existence, the Bituminous Casualty Corporation has had low overhead cost. This has enabled it to give extraordinary service to its agents and policyholders, and at a minimum cost. Experience has proved that service counts, and with Bituminous, service is a specialty!

Combined with this greater, low-cost service are fair-dealing and wise management. No wonder this reliable firm has grown steadily year by year. No wonder so many agents and policyholders have chosen Bituminous, the firm that gives

Security with Service!

BITUMINOUS CASUALTY CORPORATION
ROCK ISLAND ILLINOIS

ASSETS OVER \$14,000,000

INDIANA INSURANCE COMPANY

INDIANAPOLIS, INDIANA

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1945

ASSETS

ADMITTED ASSETS:

Cash	\$ 349,501.11
Bonds—United States Government—market value	1,099,813.83
Bonds—Municipal and corporate—market value	151,719.10
Stocks—market value	507,647.40
Building and loan investments	60,747.34
Mortgage loans	11,000.83
Real estate sold on contract	3,739.14
Premiums in course of collection less than 90 days	323,855.80
Reinsurance recoverable on paid losses	8,407.34
Other assets	3,918.23

TOTAL ADMITTED ASSETS.....\$2,520,350.12

LIABILITIES

LIABILITIES AND RESERVES:

Reserve for unearned premiums	\$1,001,657.13
Reserves for unpaid losses and loss expenses	664,337.49
Reinsurance premiums payable	43,843.11
Reserves for commissions, taxes and expenses	119,506.14
Reserve for contingencies	50,000.00

TOTAL LIABILITIES AND RESERVES.....\$1,879,343.87

CAPITAL STOCK AND SURPLUS:

CAPITAL STOCK	\$250,000.00
SURPLUS	391,006.25

TOTAL CAPITAL STOCK AND SURPLUS.....\$641,006.25

TOTAL LIABILITIES, RESERVES, CAPITAL STOCK AND SURPLUS.....\$2,520,350.12

OPERATING RESULTS FOR 1945

Increase in premiums written	\$ 156,301.82
Increase in assets	254,203.21
Increase in surplus	59,470.75

rates and premiums in the manual, we must provide for a separate collection of experience falling into these classes. It will be noted that the codes provide for a ready means of segregating the major classes such as private passenger, commercial, public, and so forth.

Divisions of Truck Types

There might be that some questions will arise as to why the division between trucks, truck-type tractors, trailers, and semi-trailers. This is more detail than we ever called for before. This is necessary for we cannot otherwise measure the relative hazards of trucks, truck-type tractors and trailers. At present we have no way of doing this though many underwriters believe that there is a substantial difference in hazard.

The age groups, of course, will be shown for each major class. They are important as they provide a classification and a rate variation in the manual. The form is needed only for such coverages as may be written on either the stated amount or the actual value basis. The form code has no meaning in connection with the collision coverages which are written on the actual value basis only.

The special code provides for the recording of certain rather unusual types of premium charges and credits, where they apply. Here we have a complication which we wish we did not have. Perhaps the best way of getting rid of some of these complications is to record them and demonstrate to interested committees how infrequently they are encountered.

The question has arisen as to how we would code a risk involving more than one of these items. This is possible as it is not a mutually exclusive code. It seems to me that the logical thing to do is simply code it according to the first code that you encounter. For example, a Diesel commercial car transporting inflammable fluids would be coded "1." That is the charge for inflammable fluids; we would not worry about the Diesel credit in the few instances of such combinations.

The transaction code is most important in that the punching on the return premium items and loss credit or salvage items is the only identification and control on such items.

In other than collision coverages, combination codes have been provided to eliminate the need for splitting the minimum premiums because frequently, fire, theft and some miscellaneous coverages are so written because they come within the fire and theft minimum premium. In this connection percentage tables will be available for splitting these combination coverages where necessary for tax purposes, the same as has been done in the past for the comprehensive and the fire and theft combined coverages. The premiums in dollars and cents to be recorded to agree with the record from which punched and to tie in with the accounting records, the unit premium card was designed with the combination statistical and accounting use in mind.

Collision only: The two coverage and

two premium fields are used to reduce the number of cards to be punched to one vehicle, one card, in all but exceptional cases.

The new plan makes possible much more complete and frequent experience reports. We can obtain monthly statements of the number and amount of losses paid, and quarterly statements of exposure and premiums from which the corresponding earned figures can be calculated.

Loss Ratio

The loss ratio which we have relied on so much in the past has limitations, as we all know. Those limitations are more obvious now than ever before, because in an increasing number of states we have subscribers as well as members. These subscribers may write at deviations from tariff rates. The problem of adjusting their premiums to tariff is very difficult. We nearly always consider the loss ratios for a period of several years, during which time one or more rate changes may have occurred. Here we have the problem of adjusting the premiums to the current level, which is most difficult.

Under the new plan we have three factors giving us most useful information, which do not involve the premium at all. I like to look at it as a triangle, the three corners of which are the Exposure at the top, the Number of Losses at the lower left and the Amount of Losses at the lower right. Then we draw a line from one point to the next, thus forming a triangle. The line from Exposure to Number of Losses gives us Loss Frequency. The line from Exposure to Amount of Losses gives us Loss Cost. The line across the bottom from Number of Losses to Amount of Losses gives us the Average Size of Loss.

With the monthly and quarterly statements just mentioned, very close watch can be kept on the experience. Unsatisfactory trends can be detected promptly. If rates are in need of adjustment the proof of such need will be at hand.

To obtain all these benefits, naturally a price must be paid. The cost in money is more than the companies have spent before; but it still is only a small fraction of one per cent of the premium volume. When we consider that in the recent and one of the lowest years in the last decade, the premium volume for automobile physical damage was over \$150,000,000, and before the war it ran as high as \$275,000,000, we can see that by being able to make necessary rate adjustments more promptly and accurately we can make the cost of the plan pay real dividends. The question is not can the business afford to adopt the plan, but, rather, can the business afford to fail to adopt it.

We are fully aware of the many and varied difficulties that will be encountered in adopting the plan. They are inevitable when we consider that we are going from as many plans as there are companies in the business to one single, standard plan.

Finally, in this new era which we are facing, statistics will play a more important role than ever before. The accurate recording and prompt reporting of automobile experience will be a vital part in meeting the demands of this new era. We are convinced that the results of the adoption of this plan will be well worth the cost.

Safety Will Be Chief Auto Problem of Next 5 Years

(CONTINUED FROM PAGE 3)

way patrol men should be trained in the detection of improper vehicular inspection.

2. Any study of the matter reveals at once the need for adequate and more uniform state laws. In this connection the 9-point traffic safety program proposed in New York State is one of the best and most complete that has been put forward. Only a few items in the program were actually passed to the legislature, but the program as a whole gives an idea of what could be done in this respect.

It includes periodic state inspection of motor vehicles, establishment of a 50-mile speed limit, greater local control over pedestrians, mandatory reexamination of motor vehicle operators who are accident-repeaters or who persistently violate traffic laws, the requirement that school buses be marked distinctively, and establishment of a state division of safety.

The program was the result of a safety conference in which the representatives of various groups participated. One of the strong recommendations was a renewed and intensified safety education program.

IMPORTANT POINTS

Of these recommendations, all of which are important, the insurance industry regards as particularly valuable the call for state inspection of motor vehicles, speed limit, pedestrian control, and reexamination of drivers. Because of the present condition of automobiles on the road, the inspection program is especially valuable. It will keep vehicles up to a safe standard. Accidents due to mechanical defects have increased substantially in the past three or four years.

Many lives can be saved annually by reasonable, effective regulations controlling pedestrians. Statistics show the need for laws or ordinances requiring people to walk with the light, and to walk on the highways in the proper manner to avoid an accident. The schools have done much to educate children along this line, and the interest of insurance in increasing this kind of safety education will prove of increasing value as time goes on.

Because excessive speed is directly responsible for many accidents and to a great extent for the amount of dam-

age done, some kind of limit is obviously needed. The reexamination of accident repeaters or frequent traffic law violators would tend to get off the roads those who are unable or unwilling to drive safely.

The New York law would give local authorities greater control over pedestrian traffic in cities and villages, so that local pedestrian ordinances may be enacted where that is deemed advisable. An amendment would authorize the state traffic commission to impose rules and regulations necessary to insure safer pedestrian movement on highways.

A division of safety in the state executive department would permit a continuous, fully integrated program of highway safety cooperation with other state agencies, local government and non-government safety organizations. It would provide for a broad policy formulation in the field of safety. It would serve as a bridge of cooperation and understanding between state and local units of government programs for safety. It would permit creation and use of advisory committees of all groups active in highway and traffic safety, local police activities and local fire prevention and control.

Education of Drivers

3. The education of drivers is one of the most important items on the list of those designed to meet the traffic accident problem. Persons under 21 who drive are involved in many more accidents, proportionately, than mature persons who drive.

In this respect the National Conservation Bureau, a division of the Association of Casualty & Surety Executives, is doing outstanding work. There are approximately 5,000 schools in 28 states teaching driver education, the course being based on "Man and the Motor Car." With many others, it constitutes a means for effective driver education beginning with the young student. More and more emphasis is being placed on education of teen age children. The idea of safety can be impressed deeply in the formative years, in the elementary schools. They learn quickly and the lessons stay with them.

The Conservation Bureau has long championed the cause of driver education in the high schools and "Man and the Motor Car" was the first textbook to be used in the schools for driver education. In addition, this Bureau has been urging compulsory motor vehicle inspections and recently published a pamphlet on this subject, at the request of the American Legion for nationwide distribution.

Law Enforcement

4. The enforcement of traffic laws is a must. There is obviously a need for uniform driver licensing laws. Local campaigns are needed to arouse public consciousness. The brake inspection campaign of the International Association of Police Chiefs last year was a

(CONTINUED ON PAGE 29)

Agents and Brokers! WE WRITE ALL COVERAGES FOR

**TAXICABS - BUSSES
LIVERY CARS - RENTAL CARS**

WRITE US FOR FULL PARTICULARS

KURT HITKE & COMPANY, INC.

Telephone WABash 3622

937 INSURANCE EXCHANGE, CHICAGO 4, ILLINOIS

Ranking of Company Groups in Point of Auto Premiums Written Is Shown

STOCK GROUPS

	1945	1944
Travelers	\$16,205,833	\$14,396,645
Travelers Indem.	8,299,964	7,296,590
Travelers Fire	8,097,661	6,712,141
Total	\$32,603,455	\$28,405,376

Hartford A. & I.	\$17,838,011	\$15,671,160
Hartford Fire	7,467,799	5,860,269
N. Y. Und.	211,699	160,575
A. W. F. & M.	95,253	74,748
Citizens, N. J.	38,374	28,899
Queen City		26,037
Twin City	19,051	14,950
Total	\$25,670,187	\$21,830,638

Amer. Auto.	\$14,308,591	\$12,671,927
Amer. Auto. Fire	7,294,451	5,785,864
Amer. Indem.	1,083,415	921,487
Aso. F. & M.	156,351	111,846
Total	\$22,842,508	\$19,491,120

Aetna Cas.	\$14,349,082	\$12,739,368
Automobile	5,454,634	4,374,565
Standard, Conn.	144,760	121,127
Iowa Fire		8,715
Aetna Life		15
Total	\$19,948,401	\$17,243,775

Globe Indem.	\$ 7,940,191	\$ 7,082,502
Royal Indem.	5,766,091	4,993,355
Eagle Indem.	2,628,649	2,184,073
L. & L. G.	1,067,666	917,004
Royal	1,113,098	934,556
Queen	1,083,094	850,064
Newark	431,215	332,851
Star	318,028	255,700
V. F. & M.	174,519	146,494
Amer. & Foreign	181,730	128,424
Federal Union	130,619	98,975
Capital, Calif.	56,791	41,345
Total	\$10,891,001	\$17,570,374

S. F. & G.	\$12,370,857	\$10,689,389
Fid. & Guar. Fire	3,925,846	2,955,505
Total	\$16,296,703	\$13,644,504

Employers Liab.	\$ 9,377,448	\$ 8,424,396
Amer. Employers	4,236,171	4,004,744
Employers Fire	2,357,004	1,853,705
Total	\$16,970,623	\$14,282,845

Metropolitan Cas.	\$ 4,223,334	\$ 3,886,873
Commercial Cas.	3,532,224	3,185,254
Firemen's Mech.	4,366,939	3,979,131
Milwaukee Mechs.	1,382,864	1,260,058
Concordia	509,476	464,232
Girard F. & M.	509,476	464,232
Natl. Ben. Frank.	509,476	464,232
Total	\$15,033,759	\$13,704,011

Fidelity & Cas.	\$ 8,148,379	\$ 7,289,064
Maryland	120,441	91,996
Fidelity-Phenix	2,032,564	1,685,666
Continental	2,329,200	2,166,988
Nagara	967,877	767,621
Amer. Eagle	582,103	526,697
First Amer.	247,066	205,085
Total	\$14,427,630	\$12,733,117

Home	\$ 4,767,347	\$ 4,023,361
Home Indem.	3,608,633	3,084,949
Franklin	867,393	733,268
City, N. Y.	259,892	219,127
National Liberty	867,116	732,118
New Brunswick	389,782	328,659
Ga. Home	173,252	146,089
Gibraltar F. & M.	259,864	219,111
Homestead	259,864	926,602
Paul Revere	173,252	146,080
Balt. American	389,963	329,753
Carolina, N. C.	259,850	219,103
Total	\$12,276,208	\$11,108,220

Allstate	\$ 9,496,365	\$ 6,366,501
Allstate Fire	2,532,528	2,543,458
Total	\$12,028,893	\$ 9,000,950

General Acci.	\$ 9,934,832	\$ 8,510,921
Potomac Fire	1,391,392	1,310,173
Total	\$11,326,224	\$ 9,821,094

Indem. N. A.	\$ 6,569,367	\$ 5,826,704
Ina. Co. of N. A.	3,428,754	2,739,505
Alliance, Pa.	385,735	308,194
Phila. F. & M.	214,297	171,219
Central Fire	192,867	154,097
National Security	64,289	51,366
Total	\$10,835,310	\$ 9,079,866

Century Indem.	\$ 3,521,865	\$ 2,974,403
Aetna Fire	3,052,391	2,807,856
Standard, N. Y.	935,047	810,997
Standard S. & C.	1,840,535	1,523,499
Piedmont, N. C.	427,484	500,796
World F. & M.	378,717	338,160
Total	\$10,156,030	\$ 8,855,711

Continental Cas.	\$ 8,237,996	\$ 9,451,622
Natl. Casualty	462,443	487,422
Transportation	502,517	513,831
Total	\$ 9,203,962	\$ 10,452,875

New Amsterdam	\$ 5,141,882	\$ 4,527,184
U. S. Casualty	3,085,369	2,489,385
Total	\$ 8,227,251	\$ 7,016,569

St. Paul Mer. Ind.	\$ 4,464,446	\$ 4,063,163
St. Paul F. & M.	2,991,725	2,497,848
Mercury	677,396	564,721
Total	\$ 8,133,567	\$ 7,125,716

Great Amer. Ind.	\$ 5,607,696	\$ 4,633,974
Amer. Alliance	1,761,486	1,459,227
Detroit F. & M.	228,223	188,877
Rochester Amer.	91,838	76,592
County, Pa.	91,838	76,592
Mass. F. & M.	46,194	38,617
Total	\$ 7,873,408	\$ 6,512,496

Fireman's Fd.	\$ 3,061,150	\$ 2,821,371
Fireman's Fund	2,803,649	2,227,259
Western Nat. Ind.	1,047,807	856,207
Western Nat'l.	218,446	173,553
Home F. & M.	618,987	491,733
Total	\$ 7,752,039	\$ 6,570,123

Good Agency Companies

Our Automobile Department is peculiarly equipped to aid in solving problems involving Automobile Insurance.

NATIONWIDE FACILITIES

National Union and Birmingham

FIRE INSURANCE COMPANIES
PITTSBURGH • PENNSYLVANIA



KANSAS UNDERWRITERS

State and General Agents

KANSAS, OKLAHOMA

and

WESTERN MISSOURI

Fire, Casualty and Inland Marine

Specializing In All Casualty Lines

Over Twenty-Four Years of One-Day Service

Attractive Contracts for Responsible Agents

WICHITA, Kansas

(CONTINUED ON NEXT PAGE)

(CONTINUED FROM PAGE 25)

Commercial Stand.	\$ 2,476,926	\$ 2,337,281
Comcl. Stand. F. & M.	3,610	353
Total	\$ 2,480,536	\$ 2,337,634
General Reins.	\$ 2,400,934	\$ 1,991,218
North Star Reins.	56,739	50,265
Total	\$ 2,457,673	\$ 2,041,483
Royal Exchange	\$ 305,982	\$ 424,568
Provident	219,631	
Car. & General	1,916,074	1,664,364
Total	\$ 2,441,057	\$ 2,088,932
Ohio Farmers	\$ 1,211,290	\$ 951,336
Ohio Farm Indem.	1,213,294	1,091,731
Total	\$ 2,424,584	\$ 2,043,067
Phoenix Hartford	\$ 1,271,211	\$ 886,204
Connecticut	767,110	534,778
Equip. F. & M.	153,422	106,955
Gr. Eastern, N. Y.	35,680	28,935
Total	\$ 2,227,423	\$ 1,556,872
Sun	655,217	622,956
Sun Underwriter	184,074	149,195
Patriotic	199,662	174,739
Sun Indemnity	1,836,152	1,502,560
Total	\$ 2,226,386	\$ 2,456,450
No. Brit. & Merc.	\$ 483,368	\$ 404,919
Pennsylvania	784,139	672,725
Commonwealth	360,325	321,044
Mercantile	353,640	272,259
Homeland	237,616	220,294
Total	\$ 2,219,088	\$ 1,891,241
No. Am. F. & M. Re	\$ 1,089	\$ 759
Swiss Reins.	216,689	150,959
Europe Gen. Reins.	1,998,761	1,470,724
Total	\$ 2,216,539	\$ 1,622,442
United States F.	\$ 592,988	\$ 494,313
North River	416,327	341,147
Richmond	112,938	124,694
British Amer.	17,358	16,151
Western, Can.	137,195	82,751
Alemania	180,916	162,536
Westchester	646,474	720,306
Southern, N. C.	80,980	71,211
Total	\$ 2,185,171	\$ 2,013,136
Amer. Fire, Tex.	\$ 46,634	\$ 72,539
Amer. Indem.	1,942,366	1,995,353
Total	\$ 1,989,000	\$ 2,067,502
Northwestern Nat.	\$ 699,824	\$ 617,520
Northw. Nat. Cas.	212,335	220,992
Total	\$ 913,159	\$ 1,538,512
Keystone A. Cl. F.	\$ 237,845	\$ 255,576
Keystone A. Cl. C.	1,622,477	1,322,065
Total	\$ 1,860,322	\$ 1,577,642
Fire Assn.	\$ 1,375,802	\$ 1,106,747
Lumbermen's	220,128	177,079
Reliance	146,752	118,053
Phila. Nat'l	91,720	73,783
Total	\$ 1,834,402	\$ 1,475,062
Premier	\$ 947,016	\$ 1,119,027
Pacific Nat'l Fire.	532,121	517,589
Total	\$ 1,479,137	\$ 1,636,619
Agricultural	\$ 1,177,719	\$ 985,139
Empire State	294,430	246,284
Total	\$ 1,472,149	\$ 1,231,423
Pearl Assur.	\$ 624,270	\$ 644,070
Eureka-Sec.	589,393	606,537
Monarch Fire	257,052	265,205
Total	\$ 1,470,715	\$ 1,515,812
Gulf	\$ 1,135,061	\$ 1,039,918
Atlantic Texas	266,797	500,696
Total	\$ 1,401,858	\$ 1,540,614
National Union	\$ 1,345,662	\$ 1,488,076
Nat'l. Un. Indem.	460	57
Total	\$ 1,346,122	\$ 1,485,133
Pa. Mfrs. Assn.	248,578	217,057
Pa. Mfrs. As. Cas.	1,062,066	976,203
Total	\$ 1,310,644	\$ 1,193,466
Providence Wash.	\$ 1,066,670	\$ 816,873
Anchor	216,402	157,768
Total	\$ 1,283,072	\$ 1,004,641
New Hampshire	\$ 664,072	\$ 560,314
Am. Fid., N. H.	274,723	240,185
Granite State	333,160	269,398
Total	\$ 1,271,935	\$ 1,060,507
Dubuque F & M.	\$ 744,081	\$ 239,920
Nat'l Reserve	318,891	102,823
Total	\$ 1,062,972	\$ 342,743
Merchants, N. Y.	\$ 529,652	\$ 464,856
Washington Asur.	118,826	102,832
Merchants Indem.	412,256	368,247
Total	\$ 1,000,734	\$ 925,935
Selected Risks	\$ 86,327	\$ 66,576
Selected Risks Ind.	917,201	732,234
Total	\$ 1,003,528	\$ 768,810
Atlas	\$ 543,980	\$ 460,570
Albany	103,609	87,725
Quaker City F. & M.	293,702	305,307
Total	\$ 941,292	\$ 853,602
Boston	\$ 692,087	\$ 552,360
Old Colony	240,045	168,973
Total	\$ 932,132	\$ 722,333
American Equit.	\$ 432,366	\$ 433,931
Globe & Republic.	183,188	172,709
Merch. & Mfrs.	110,164	103,265
New York Fire.	191,900	153,279
Switzerland Genl.	282	2,846
Total	\$ 918,320	\$ 866,030
Globe & Rutgers	\$ 515,364	\$ 403,185
Amer. Home	113,511	89,058
Ins. Co. St. Pa.	253,151	195,482
Total	\$ 882,026	\$ 687,722
London & Prov.	1945	1944
Yorkshire	53,323	40,763
Yorkshire Indem.	266,616	203,728
Total	\$ 322,300	\$ 688,739
N. J. Mfrs. F.	395,865	327,135
N. J. Mfrs. As. Cas.	424,480	338,981
Total	\$ 820,345	\$ 676,116
Norwich Union	\$ 313,203	\$ 278,936
Eagle, N. Y.	81,440	73,157
Nor. Un. Ind.	327,611	263,901
Total	\$ 722,254	\$ 615,994
Universal	\$ 477,555	\$ 646,973
Universal Indem.	188,562	199,046
Total	\$ 666,117	\$ 846,019
Caledonian	\$ 337,456	\$ 257,137
Cal.-Amer.	119,172	148,838
Netherlands	135,714	55,238
Total	\$ 595,342	\$ 464,213
Utilities	\$ 389,852	\$ 350,088
Preferred Fire	179,999	171,744
Total	\$ 569,851	\$ 521,782
General, Dallas	282,593	\$ 122,004
Assoc. Empl. Lloyds	134,112	101,461
Houston F & C.	101,892	27,665
Total	\$ 518,597	\$ 251,130
London Assur.	\$ 350,465	\$ 336,306
Manhattan, F. & M.	165,556	123,952
Total	\$ 516,021	\$ 460,258
Northern Eng.	\$ 452,507	\$ 388,956
Lond. & Scot.	39,435	33,822
Total	\$ 492,942	\$ 422,778
Bituminous F. & M.	119,949	\$ 25,222
Bituminous Cas.	350,799	204,695
Total	\$ 470,748	\$ 229,917
Millers Nat'l	\$ 298,833	\$ 395,362
Illinois Fire	33,523	44,091
Total	\$ 332,356	\$ 439,443
Prudential	\$ 129,253	\$ 142,427
Skandia	89,508	68,968
Hudson	21,559	19,972
Total	\$ 240,320	\$ 231,362
St. Louis F. & M.	\$ 75,896	\$ 100,682
Washington F. & M.	75,894	110,485
St. Louis Cas. & S.	32,225	
Total	\$ 184,013	\$ 211,167
Rhode Island	\$ 29,038	\$ 64,567
Pioneer Equitable	17,525	—
William Penn F.	92,413	132,184
Natl. Colo.	52,930	
Total	\$ 139,578	\$ 249,078
Century	\$ 104,567	\$ 85,001
Pacific Coast	26,142	18,161
Total	\$ 130,709	\$ 103,161
Union & Phenix	\$ 60,717	\$ 45,339
Urbaine	3,999	
Unity	20,695	11,590
Total	\$ 85,411	\$ 56,929
Hamilton	\$ 68,614	\$ 69,269
Natl' F. & M.	1,659	772
Total	\$ 70,273	\$ 70,041
Nat'l Reins.	\$ 8,891	\$ 20,120
Reins. Corp.	15,281	38,161
Total	\$ 24,172	\$ 58,281
State Farm Fire	\$ 133,850	\$ 109,967
State Farm M. Aut.	38,752,823	30,390,064
State Farm Cas.		
Total	\$ 388,666,673	\$ 330,500,031
Federal Mut. Fire	\$ 238,707	\$ 215,368
Federal Mut. Liab.	12,674	7,142
Natl. Retailers	1,051,625	975,338
Amer. Motorists	4,359,417	5,262,388
Excess	561,204	525,521
Lum. Mut. Cas.	17,802,736	14,300,049
Amer. Motorists F.	258,418	247,598
Total	\$ 24,285,774	\$ 21,531,404
Farmers Aut. Cal.	\$ 13,378,506	\$ 10,209,909
Truck Ins. Exch.	2,806,259	2,405,936
Total	\$ 16,184,765	\$ 12,618,845
United Mut. Fire	\$ 2,010,872	\$ 1,787,427
Liberty Mut.	12,221,408	10,964,877
Total	\$ 14,232,286	\$ 12,752,304
Farm Bur. Mut. O.	\$ 11,411,871	\$ 8,611,388
Farm Bur. Mut. F.	1,077,677	605,579
Total	\$ 12,489,548	\$ 9,216,967
Mut. Impl. & Hdwe.	\$ 644,472	\$ 596,465
Hdwe. Dl. Mu. Fire	636,751	595,098
Hdwe. Mut. Cas.	8,228,428	7,194,989
Total	\$ 9,500,650	\$ 8,386,552
Allied Am. M. F.	\$ 1,028,816	\$ 861,134
Amer. Mut. Liab.	3,666,433	3,454,778
Amer. Policyholders	1,005,617	1,565,571
Total	\$ 5,700,866	\$ 5,881,453
Allied Fire	\$ 203,626	\$ 158,929
Utica Mut.	3,885,992	3,580,536
Total	\$ 4,089,618	\$ 3,739,465
Employ. Mut. F.	\$ 374,453	\$ 285,025
Employers Mut. L.	3,639,887	2,672,401
Total	\$ 4,014,340	\$ 2,957,426
Peerless Cas.	\$ 722,161	\$ 812,881
Natl. Grange Fire.	128,192	134,073
Natl. Grange M.	2,160,961	1,948,645
Total	\$ 3,021,315	\$ 2,896,599

objective information on which to base underwriting. One difficulty with underwriting truck cargo business and a big reason why the history of the lines has been marked by a wide variation in rates was that there were so few standards upon which judgment could be predicated.

An organization such as would be set up under the proposed program would also conduct a running survey of the motor carriers so as to recommend items of safety and loss prevention, equipment and maintenance, management and personnel, finances, operations and procedures. It would conduct a study of losses, their causes, and would recommend preventive steps. It would maintain a system of periodic inspections of the motor carrier to ascertain their compliance with recommendations and to take up new problems. Finally, it would maintain close relations with manufacturers of the motor carrier equipment so as to keep abreast of all the latest developments in this field and to confer and cooperate with the safety and loss prevention bureaus set up by the ICC and state regulatory bodies as well as similar agencies set up by the various trucking organizations.

Unearting Flaws

Not only should employees be advised of safe procedures and equipment examined by experts so as to assure high grade maintenance but the system of receiving goods and delivering them should be studied for flaws. For example, it is customary for fully loaded trucks to arrive at the delivery point at such hours as 3 or 4 a.m. They wait on deserted streets and roads for the point of delivery to open and hence are easy prey for highjackers and other thieves. Analysis will cover managerial and financial aspects, terminal facilities (to discourage large holdovers at terminals overnights or weekends), prior losses of each carrier and ways of preventing repetition; records of employees with careful checking of names and addresses.

Mr. Schindel believes that a scientific approach to the motor cargo business even if tried out only in a localized area at first, would prove that the only thing wrong with it is that it has not been properly handled. An industry such as this needs a specialized organization to serve its unique insurance needs, he maintains. He believes, on the basis of his experience, that truck cargo business can be made profitable and that if properly serviced the loss ratio can be reduced materially.

More Than Half of Ground Fires Due to Carelessness

More than half of the 174 ground fires at airports in the United States during 1942, 1943 and 1944 were caused by carelessness alone, according to a report of the safety bureau of the Civil Aeronautics Board. The property loss for those three years was \$1,360,000. There were 581 aircraft damaged, 89% beyond repair, and 73 hangars and shops were involved. Three persons died in the fires, eight were seriously burned and eight others sustained minor injuries.

The board lists 12 precautionary measures to prevent ground fires at airports. These are summed up in this admonition: The entire premises should be carefully inspected at regular, frequent intervals to detect and remedy any condition that might become a fire hazard.

Stock forged ah... 13.5%. T... were \$318,583,684. amount b... 1945 was 1944. On B.I. while in parable r... 48.2 and The st... largest in surance. in 1941 v... 198,264. Conspic

NON-STOCK AND MIXED

acc. & C... Asta Cas... Asta Life... Astate... Astate... Amer. Aut... Amer. Em... Amer. Fid... Amer. F. & G... Amer. Mot... Amer. Rel... Amer. Sur... Amer. Inde... Assoc. Ind... Atlantic... Atlantic... Banks I... Bituminous... Canadian... Car & Ge... Carolina... Central Su... Century In... Citizens... Columbia... Commercial... Conn. Ind... Continental... Dearborn... Eagle Ind... Emme... Employers... Employers... Eureka C... European... Excess... Fidelity & Fireman's... General A... Gen. Cas... Gen. Ind... Gen. Re... Gen. Tr... Glen Fall... Glob... Gr. Am... Hdw... In... Hartford... Home... Home Indem. of... Keystone... London & Lond... Mrs. & M... Mrs. Cas... Maine... Maryland... Mass. Bo... Glob... Ind... Hdw... In... Hartford... Home... Home Indem. of... Keystone... London & Lond... Mrs. & M... Mrs. Cas... Maine... Maryland... Mass. Bo...

Auto... Am. Fid... Am. Guar... Amer. Mot... Amer. Rel... Amer. Sur... Amer. Inde... Assoc. Ind... Atlantic... Atlantic... Banks I... Bituminous... Canadian... Car & Ge... Carolina... Central Su... Century In... Citizens... Columbia... Commercial... Conn. Ind... Continental... Dearborn... Eagle Ind... Emme... Employers... Employers... Eureka C... European... Excess... Fidelity & Fireman's... General A... Gen. Cas... Gen. Ind... Gen. Re... Gen. Tr... Glen Fall... Glob... Ind... Hdw... In... Hartford... Home... Home Indem. of... Keystone... London & Lond... Mrs. & M... Mrs. Cas... Maine... Maryland... Mass. Bo...

M. J. O'BRIEN & COMPANY

Stock Casualty Insurers Show Largest Volume in History

Stock casualty companies in 1945 forged ahead in their auto writings by 13.5%. The total premiums last year were \$318,104,840, an increase of \$37,853,684. Losses increased in dollar amount by 17% and the loss ratio in 1945 was 42.1 contrasted with 40.7 in 1944.

On B.I. the 1945 loss ratio was 40.1 while in 1944 it was 38.8. The comparable ratios for P.D. are 55.6 and 48.2 and for collision 52.4 and 48.

The stock casualty premiums were the largest in the history of automobile insurance. The previous high mark was in 1941 when the writings were \$293,198,264.

Conspicuous gains were made by All-

state and this company not only appeared for the first time in the ranks of the big 10 but landed well up in the list in seventh place and crowding General Accident for sixth position. All-state's premiums went ahead 49.2%. It put on the gas in connection with sev-

were greater in 1945 by 13.8%. If Travelers and Travelers Indemnity were considered as a single institution they would be in first place by a margin of nearly \$7 million.

Travelers' premiums increased 12.6%

last year while Travelers Indemnity

TEN STOCK CASUALTY AUTO LEADERS

	1945 Prem.	1944 Prem.	% Inc.	1943 Prem.	1942 Prem.	1941 Prem.
1. Hartford Acc.	\$17,838,011	15,671,160	13.8	14,616,247	16,638,654	15,065,310
2. Travelers	16,205,833	14,391,054	12.6	12,444,655	16,496,757	16,069,450
Trav. Indem.	8,299,964	7,296,590	13.7	6,190,645	7,841,374	7,666,108
Total	24,505,797	21,087,644	13.0	18,635,300	24,338,131	24,275,567
3. Aetna Cas.	14,349,613	12,739,568	12.5	11,226,481	13,544,623	14,296,639
4. Am. Auto	14,308,591	12,671,927	12.9	11,545,132	13,208,011	14,326,598
Asso. Indem.	1,184,809	921,487	26.4	867,093	945,034	944,717
Total	15,473,400	13,593,114	13.8	12,412,225	14,153,045	15,271,315
5. U. S. F. & G.	12,370,857	10,689,389	15.7	9,070,855	10,207,152	9,807,478
6. General Acc.	9,034,832	8,510,923	16.7	8,035,995	11,045,972	11,516,374
7. Allstate	8,496,365	6,366,501	40.2	5,213,340	5,492,680	5,111,200
8. Employers Liab.	9,377,448	8,424,396	11.3	7,900,487	9,099,357	9,845,918
Am. Employers	4,336,171	4,004,744	8.2	3,423,454	3,987,265	4,085,222
Total	13,713,619	12,429,140	10.3	11,322,941	13,086,622	13,931,122
9. Maryland Cas.	8,393,100	7,313,498	14.8	6,417,833	7,612,071	8,106,548
10. Travelers Indem.	8,299,964	7,296,590	13.7	6,190,645	7,841,374	7,666,108

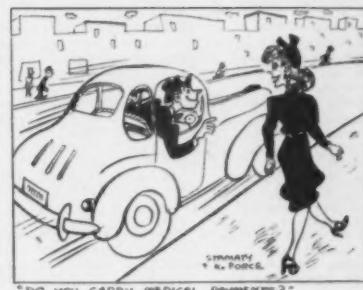
eral new auto financial responsibility laws, including especially that in its home state of Illinois where it was in a position to capitalize on the opportunity to the utmost.

Hartford Accident, for the third successive year, on a single company basis, is in top position. Its premiums

made a 13.7% gain. The two combined had a premium improvement of 13%.

Aetna Casualty and American Auto continue their neck-and-neck race for third position with Aetna still in the lead by \$41,022. In 1944 the margin was \$67,441.

U. S. F. & G. is unchallenged for fifth



position. It had an above average premium increase last year of 15.7%.

General Accident advances from seventh to sixth position and it had an increase of 16.7%. Continental Casualty was sixth last year, but it engaged in some pruning in the automobile line and is not in the 1945 big 10.

Employers Liability retains its hold on the eighth spot; Maryland Casualty is again ninth and Travelers Indemnity tenth.

This year each of the big 10 companies has \$8 million or more in auto premiums. Outside the first 10 the only other companies in the \$8 million or better class are Continental Casualty and Fidelity & Casualty.

Automobile Premiums and Losses of Stock Casualty Companies in 1945

	1945										1944										1943									
	Total Net Prems.	Paid Losses	Loss Ratio	In Inc. or Dec. in Prems.	Liability	Property	Damage	Collision	Total	Total Net Prems.	Paid Losses	Loss Ratio	In Inc. or Dec. in Prems.	Net Prems.	Paid Losses	Loss Ratio	In Inc. or Dec. in Prems.	Total Net Prems.	Paid Losses	Loss Ratio										
Acl. & Cas.	\$1,535,082	\$50,864	45.9	536,751	1,239,123	563,714	505,102	277,953	\$8,857	9,187	1,316,331	733,594	55.7	48,169	1,268,162	859,676	67.7	1,153,161	5,213,340	1,413,013	27.9									
Aetna Caa.	14,349,613	5,256,209	38.2	1,610,245	10,553,607	3,520,565	3,789,692	1,992,697	6,814	2,074	12,739,368	4,238,623	33.1	1,512,837	11,226,481	4,040,000	35.8	11,645,132	8,747,192	8,182,324	32.4									
Allstate	9,496,365	2,571,378	27.2	3,129,864	6,216,837	1,444,279	2,230,822	896,963	1,048,706	230,136	6,366,501	1,831,032	28.5	1,126,795	11,226,481	4,040,000	35.8	1,126,795	11,226,481	4,040,000	35.8									
Amer. Auto.	14,308,591	5,454,338	38.1	1,636,664	10,158,234	3,105,049	4,136,000	3,249,386	14,355	1,242	11,671,927	4,179,610	33.0	1,126,795	11,226,481	4,040,000	35.8	1,126,795	11,226,481	4,040,000	35.8									
Amer. Cas.	4,110,449	1,735,993	43.3	1,200,467	2,909,932	1,014,746	1,202,253	706,622	96,214	61,703	3,566,823	1,477,069	41.3	524,587	2,062,236	1,188,261	39.4	1,126,795	11,226,481	4,040,000	35.8									
Amer. Employers	4,336,171	1,929,222	44.3	331,427	2,996,412	1,161,529	1,186,651	656,088	153,108	111,595	4,004,744	1,454,348	36.1	581,290	3,423,454	1,277,305	37.3	1,126,795	11,226,481	4,040,000	35.8									
Am. Fld., N. H.	274,723	142,287	52.1	34,535	159,534	72,645	89,293	49,854	26,796	24,185	86,564	26.8	23,750	211,435	91,419	42.1	1,126,795	11,226,481	4,040,000	35.8										
Am. Guar. & Liab.	5,459,429	3,424,253	61.7	997,855	4,181,121	2,423,303	1,363,208	996,054	—	4,551,574	2,869,308	62.8	66,254	4,455,320	2,654,529	59.1	1,126,795	11,226,481	4,040,000	35.8										
Am. Guar.	259,730	120,993	46.3	98,297	187,502	76,433	71,744	44,440	484	120	161,423	96,477	59.5	64,744	96,477	59.5	1,126,795	11,226,481	4,040,000	35.8										
Amer. Motorists	4,359,417	2,057,712	46.7	—902,971	3,307,150	1,101,363	1,204,038	573,540	—151,771	382,800	5,262,388	2,048,033	39.7	672,911	4,489,477	1,777,341	38.7	1,126,795	11,226,481	4,040,000	35.8									
Amer. Policyhold.	1,005,617	792,778	78.8	—559,954	659,252	492,344	392,262	291,851	13,102	8,583	1,565,571	759,709	48.4	192,911	1,372,660	620,104	45.1	1,126,795	11,226,481	4,040,000	35.8									
Amer. Relinsur.	1,374,886	419,477	30.6	774,722	1,221,394	390,035	133,337	29,442	20,155	600,164	242,546	40.4	232,839	466,525	279,408	59.9	1,126,795	11,226,481	4,040,000	35.8										
Amer. Surety	2,202,789	893,737	40.5	374,665	1,596,616	596,108	591,886	291,801	14,887	8,282,194	681,147	37.2	232,811	1,595,623	580,912	36.4	1,126,795	11,226,481	4,040,000	35.8										
Arca. Indem.	6,252	32,519	53.6	1,189	43,549	19,390	18,973	14,129	—	6,311	18,628	30.5	59,391	21,388	36,360	36.0	1,126,795	11,226,481	4,040,000	35.8										
Assoc. Indem.	1,083,415	611,000	56.4	161,928	514,615	263,103	229,241	133,118	337,440	202,005	981,487	56,034	867,093	349,768	40,3	1,126,795	11,226,481	4,040,000	35.8											
Atlantic Tex.	266,797	93,175	35.0	—23,899	173,385	38,397	84,146	48,457	9,266	6,821	500,696	33.8	207,068	103,628	93,129	30.5	1,126,795	11,226,481	4,040,000	35.8										
Atlantic Cas.	116,395	29,945	25.7	11,646	77,779	14,323	38,616	15,622	—	10,749	34,217	32.7	87,577	43,984	43,984	50.1	1,126,795	11,226,481	4,040,000	35.8										
Bankers Indem.	2,074,116	858,084	41.4	312,509	1,487,721	495,295	569,764	315,456	16,631	11,330	1,761,607	647,039	36.8	234,848	1,536,759	706,075	46.0	1,126,795	11,226,481	4,040,000	35.8									
Biluminous Cas.	350,799	156,279	44.6	14,104	184,710	49,837	74,627	36,314	91,462	70,128	204,696	47,855	23.7	160,452	44,243	7,918	17.8	1,126,795	11,226,481	4,040,000	35.8									
Canadian Indem.	142,991	63,009	44.1	22,766	95,003	4,272,427	40,423	20,637	—	12,225	46,201	28.4	12,610	107,615	30,950	29.5	1,126,795	11,226,481	4,040,000	35.8										
Car. & General	1,916,074	845,215	44.1	25,766	51,729	1,335,496	522,871	532,413	291,616	47,165	30,728	16,644	364,364	197,878	4,171,482	909,361	61,6	1,126,795	11,226,481	4,040,000	35.8									
Carolina Cas.	110,911	22,848	20.6	6,627	79,500	13,292	31,411	9,555	—	15,284	2,187	4,64	44,443	54,394	2,585,818	1,172,920	45.3	1,126,795	11,226,481	4,040,000	35.8									
Century Indem.	3,521,865	1,375,987	38.4	2,553,336	972,391	948,293	366,262	20,237	2,074,403	1,288,389	43.2	455,766	2,518,637	1,337,252	49.1	1,126,795	11,226,481	4,040,000	35.8											
Citizens Casualty.	928,871	415,674	44.6	148,856	737,115	309,240	191,256	106,434	—	779,715	357,869	45.9	55,664	721,151	472,661	46.5	1,126,795	11,226,481	4,040,000	35.8										
Columbus Cas.	1,288,836</																													

AUTOMOBILE AND AVIATION INSURANCE NUMBER

April 19, 1946

(CONT'D FROM PRECEDING PAGE)																			
	Total Net Prems.	Paid \$ Losses	Loss % Ratio	Inc. or Dec. in Prema.	Liability Net Prems.	Paid \$ Losses	Prop. Damage Net Prems.	Paid \$ Losses	Collision Net Prems.	Total Net Prems.	Paid \$ Losses	Inc. or Dec. in Prema.	Total Net Prems.	Paid \$ Losses	Loss % Ratio				
1945												1944							
Merchants Indem.	412,256	87,352	21.1	44,009	412,256	87,189	163	—	368,247	104,140	28.4	15,425	352,822	134,784	38.1				
Metropol. Cas. ...	4,223,334	1,816,848	43.0	366,462	3,568,427	1,475,048	628,839	327,854	2,866,872	1,563,077	40.4	420,981	3,445,891	1,473,635	42.1				
National Cas.	463,449	273,525	59.9	—	33,972	331,412	185,115	131,970	87,932	487,422	262,187	53.6	31,318	456,104	172,276	51.2			
National Surety ...	326,446	50,406	15.4	317,378	230,155	22,880	96,321	27,525	—	9,068	345	2.70	—	—	—	—			
New Amster. Cas. ...	5,141,882	2,242,027	43.6	16,698	3,715,539	1,412,940	1,405,766	820,239	20,577	8,848	4,527,184	1,850,898	40.8	574,917	3,952,267	1,736,367	43.2		
New England Cas.	376,944	97,827	25.8	159,402	276,964	57,068	99,980	40,769	—	217,542	92,689	42.2	47,469	170,073	117,880	37.1			
N. J. Mfrs. Cas. ...	424,480	96,057	22.7	85,497	422,692	95,925	1,788	132	—	238,981	119,440	35.3	30,539	308,442	144,565	47.1			
New York Cas.	1,324,975	597,795	44.7	184,525	946,331	389,367	372,894	205,701	6,750	2,727	1,160,450	482,530	41.6	174,572	985,878	457,573	44.1		
N. Am. C. & S. Re. ...	4,622	—	—	2,451	2,023	—	297	—	9	—	2,171	—	—	1,520	651	—	—		
Norwich Union ...	327,611	133,481	40.7	62,710	233,109	91,731	92,779	40,174	1,723	1,526	263,901	87,386	33.1	53,080	210,821	54,181	32.1		
Ocean Acci.	2,268,964	799,400	35.4	225,805	1,618,828	460,464	633,095	332,552	17,094	6,284	2,643,159	682,042	33.3	277,069	1,766,090	606,260	34.1		
Ohio Farm. Ind. ...	1,213,294	408,659	33.6	221,562	764,944	170,306	448,350	288,392	—	1,691,731	348,962	31.8	61,205	1,630,526	270,328	34.1			
Pa. Mfrs. A. Cas. ...	1,062,066	459,187	43.2	85,763	858,472	172,908	286,098	179,015	217,496	107,264	976,303	284,459	29.0	—	18,699	995,002	282,540	34.1	
Peerless Cas.	722,161	888,520	53.7	—	91,720	855,572	338,620	30,279	23,626	46,310	26,274	813,881	340,891	37.5	22,803	780,073	239,592	34.1	
Penna. Cas. ...	1,102,566	1,805,220	163.6	—	1,751,724	780,598	3,128,233	308,607	486,537	18,461	5,450	2,964,504	103.9	—	—	—	—	—	
Phoenix Indem. ...	1,946,489	814,056	41.8	—	306,628	522,553	569,890	286,597	7,040	4,866	1,639,861	624,119	38.0	306,238	1,333,623	494,451	37.1		
Preferred Acci. ...	4,845,600	2,389,141	49.3	718,867	3,340,200	1,516,631	1,299,536	725,724	205,864	4,126,733	1,999,398	48.4	305,588	3,821,195	1,919,608	48.1			
Protect. Indem. ...	1,182,785	564,567	47.7	306,946	840,953	360,224	314,915	185,600	26,917	18,743	875,637	431,375	49.3	212,285	663,352	389,795	48.1		
Royal Indem. ...	5,766,091	2,848,294	50.1	772,706	4,177,827	1,797,835	1,516,846	1,003,932	71,418	46,527	4,993,385	2,353,278	47.7	660,868	4,332,517	1,986,899	46.1		
St. Louis C. & S. ...	32,225	5,028	15.6	—	20,361	3,366	6,994	1,031	4,870	631	—	—	—	—	—	—	—		
St. Paul-Merc. Ind. ...	4,464,446	1,688,135	37.2	401,283	3,023,879	875,353	1,209,650	641,062	230,917	151,720	4,063,163	1,323,030	32.6	359,894	3,703,269	1,199,854	32.1		
Seaboard Surety ...	12,162	1,537	13.4	4,908	8,382	—	—	—	—	—	—	—	—	—	—	—	—		
Sel. Risk. Indem. ...	917,201	429,490	46.8	184,967	528,015	214,398	240,842	140,064	188,344	75,028	732,234	292,146	40.0	67,867	664,370	223,804	32.1		
S. W. General, Tex. ...	657,309	130,185	19.6	—	558,278	107,595	99,031	22,591	—	—	—	—	—	—	—	—	—		
Standard Acci. ...	7,595,841	2,957,312	39.0	999,814	6,126,825	2,191,446	1,408,723	725,294	60,243	40,572	6,686,027	2,189,873	32.7	1,223,143	5,462,884	1,766,073	32.1		
Stand. Sur. & C. ...	1,840,535	927,200	50.4	317,028	1,328,550	619,506	507,378	305,688	4,607	2,006	1,623,499	718,665	47.4	189,897	1,333,602	607,856	48.1		
Sun Indemnity ...	1,836,652	753,860	41.0	—	322,092	1,266,308	424,126	558,819	326,210	11,525	3,524	1,503,560	616,655	45.1	275,151	1,228,460	590,575	48.1	
Transit Cas.	813,585	87,140	10.8	—	691,547	70,383	122,038	16,757	—	—	—	—	—	—	—	—	—	—	
Travelers Indem. ...	16,205,825	5,988,063	36.9	1,814,179	6,205,323	5,988,063	3,645,157	1,897,983	155,011	67,780	10,689,389	5,285,871	37.1	1,618,536	9,070,853	3,415,451	37.1		
Travelers Indem. ...	8,295,964	4,224,429	50.8	1,008,374	1,733,561	546,337	6,496,736	3,645,739	69,507	34,368	7,296,590	3,285,871	45.2	1,105,945	6,190,645	2,715,467	48.1		
Tri-State Cas. ...	—	1,538	10,958	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
United Natl. Ind. ...	475,534	73,718	16.3	—	362,838	326,584	35,676	149,550	38,042	—	—	—	—	—	—	—	—	—	
U. S. Cas.	3,085,369	1,418,282	45.8	595,984	2,221,850	846,070	824,198	541,870	29,321	30,842	2,489,385	1,071,590	43.1	347,636	2,141,749	871,934	46.1		
U. S. F. & G. ...	12,370,557	5,340,467	43.1	1,651,468	8,860,783	3,374,704	3,354,157	1,897,983	155,011	67,780	10,689,389	5,285,871	45.2	1,618,536	9,070,853	3,415,451	37.1		
U. S. Guar.	3,026,950	810,825	40.1	153,123	1,416,578	462,487	511,435	310,494	98,937	37,854	1,873,827	625,024	33.7	69,921	1,503,906	763,866	42.1		
Universal Indem. ...	185,661	80,881	41.5	—	10,484	131,320	43,754	57,242	37,097	—	—	—	—	—	—	—	—	—	
Utilities, Mo. ...	339,852	184,008	42.2	—	39,814	236,184	85,923	94,235	46,872	59,433	31,213	350,038	190,342	54.4	—	75,722	425,810	256,747	58.1
Virginia Bur.	1,104,263	426,441	38.6	—	516,699	775,445	265,648	328,823	160,793	—	—	—	—	—	—	—	—	—	
West. C. & S. Kan. ...	1,997,285	689,356	34.2	—	302,481	1,366,341	361,643	630,846	326,650	82	1,063	1,694,804	578,042	34.1	172,006	1,522,798	532,145	39.1	
Western Natl. Ind. ...	1,047,807	377,174	36.0	191,600	762,274	228,127	281,608	147,265	3,925	1,789	856,207	283,126	27.8	134,152	722,065	222,478	36.1		
Yorkshire Indem. ...	502,360	296,116	59.0	60,199	349,920	202,662	153,061	93,253	379	201	442,161	205,311	45.5	59,238	382,873	159,681	41.1		
Zurich ...	5,683,592	3,242,208	57.1	780,312	4,038,121	2,051,423	1,400,050	1,018,028	251,421	172,753	4,909,340	2,374,443	48.3	845,150	4,064,230	2,023,776	48.1		
Total ...	318,104,840	134,016,511	45.1	37,853,684	219,819,804	88,179,875	81,218,665	46,198,259	6,432,894	3,374,019	280,251,156	114,087,653	40.7	31,523,158	248,727,998	100,915,949	40.1		

With premiums written in 1945 of \$69,352,047, the stock companies writing full cover auto insurance, enjoyed an automobile premium increase of \$11,745,490. Percentagewise the gain was 20.4. In 1944, these companies gained 10.4%. Losses in 1945 advanced at an even faster clip, being \$7,938,691 in excess of the 1944 figure or an increase of 34.8%. The loss ratio in 1945 was 44.4 as compared with 39.6 the previous year.

The comprehensive loss ratio in 1945 was 38, while in 1944 it was 34. The comparable B. I. ratios were 32 and 30.2; P.D., 50.5 and 42.2; collision, 61.8 and 58.5.

Ohio Casualty, with a premium increase of 14.6%, retains its customary grip on first place among stock companies that write both B.I. and comprehensive under the same charter. American States went forward to the tune of 20.9% and edged Pacific Indemnity out of the second spot.

can States went forward to the tune of 20.9% and edged Pacific Indemnity out of the second spot.

National Auto & Casualty had a sensational premium increase of 56.6% following a 51% gain in 1944 and captures fourth place. It appeared among the big 10 for the first time in 1944. Trinity Universal continues to occupy fifth position and Buckeye Union Casualty, sixth.

United Pacific dropped from fourth place in last year's listing to seventh in the new table.

Northwest Casualty, in eighth position, advances a notch. Employers Casualty comes into the big 10, with a premium increase of 35.6% and stands No. 9. Commercial Standard, last year No. 8, is now No. 10, and Wolverine, which was No. 10 last year, just misses the place in the list.

Commercial and property insurance load carrying load came in more than the little load carriers. The manufacturerised load carriage nation, continued to stand on the capacity available from the companies involved.

AMERICAN INDEMNITY COMPANY

Capital \$1,000,000.00

GALVESTON, TEXAS

Texas' Oldest Stock Company

(CONT'D FROM PRECEDING PAGE)																	
Govt. Employees	1,628,562	668,406	40.8	322,433	200,487	106,083	657,590	158,695	260,343	127,923	520,242	280,705	1,316,129	451,888	24.2	215,592	
Guarantee, Cal.	179,648	18,195	9.0	...	24,964	2,616	52,781	804	29,250	2,287	72,653	10,488	...	...	...	...
Hawkeye Cas.	1,499,631	575,504	35.4	173,015	220,318	71,625	606,591	173,408	346,140	158,122	326,582	172,354	1,228,616	630,184	40.0	1,494	
Holiday Cas.	1,092,533	471,352	43.1	165,857	156,875	58,028	390,977	131,346	228,301	109,826	216,556	172,142	848,552	14,068	...	...
Indiana	1,202,659	685,809	57.0	59,173	165,548	92,512	419,705	151,599	242,140	145,681	376,263	296,017	1,144,471	439,940	38.6	61,281	
Ill. Nat'l. Cas.	1,459,944	593,236	40.6	233,670	220,043	75,459	523,116	130,003	256,588	124,257	430,915	263,410	1,226,274	482,543	39.3	106,952	
Insurers Indem.	272,902	146,859	53.7	40,332	23,522	7,648	145,138	62,959	73,463	45,766	20,779	30,496	232,570	146,790	63.0	69,292	
Maine Bonding	200,600	107,591	54.5	43,996	6,061	2,008	121,637	50,581	45,167	40,386	7,735	5,416	158,604	70,747	44.8	1,225	
Mid-States	966,533	488,049	50.5	426,639	326,064	98,328	60,700	18,864	34,846	19,085	534,928	361,772	130,216	24.5	306,897
Motor Veh. Cas., Ill.	1,241,928	467,257	37.6	206,315	187,618	61,974	470,041	170,969	249,560	66,236	334,714	168,078	1,035,603	356,956	34.3	105,810	
Nat'l. Auto. & Cas.	4,109,040	1,903,172	46.3	1,486,873	608,991	264,762	1,362,592	312,140	609,411	273,538	1,533,046	1,082,724	2,628,167	1,812,070	46.1	886,988	
Nat'l. Indem., Neb.	69,415	28,235	40.6	—14,238	18,567	4,654	22,582	6,304	9,519	1,891	18,947	18,386	18,978	20.2	29,851
N.W. Nat. Cas.	1,213,325	405,613	33.4	292,543	41,072	10,593	765,756	216,636	362,649	151,563	48,885	26,881	920,992	256,993	27.7	75,006	
N.W. Wash.	2,701,850	1,090,913	40.4	425,160	380,523	140,514	1,013,171	275,768	485,909	218,766	822,247	455,465	2,275,690	773,150	34.0	62,385	
Ohio Cas.	6,277,821	2,498,120	39.6	801,688	730,360	223,939	2,813,344	921,012	1,882,897	671,986	1,251,220	681,183	5,476,123	1,903,797	38.8	200,167	
Oregon Auto	797,260	323,588	41.2	98,207	102,225	29,310	300,827	109,324	165,575	73,098	228,683	111,856	698,055	243,810	34.8	37,422	
Pacific Auto	1,028,811	500,926	48.6	156,399	110,048	41,417	482,301	144,170	192,709	127,417	293,753	187,922	872,412	415,545	47.7	116,184	
Pacific Employers	2,335,269	1,145,027	49.0	480,166	286,934	127,709	935,985	288,533	427,481	263,427	684,919	465,358	1,855,103	756,569	40.7	382,079	
Pacific Indem.	4,385,652	2,311,751	52.7	654,120	597,116	199,829	1,944,249	94,147	778,977	486,078	1,065,310	882,407	3,831,532	1,718,825	44.8	376,296	
Preferred, Mich.	919,068	409,454	44.6	124,586	187,487	60,087	237,091	91,341	182,629	73,058	311,861	188,514	79,482	87,781	45.8	56,855	
Standard, Okla.	23,427	1,834	7.7	17,533	3,689	403	9,539	500	5,558	727	4,641	206	5,894	...	...	...
Suburban Cas., Ill.	639,414	267,737	41.8	131,345	106,254	40,094	243,003	71,897	122,237	47,414	167,920	108,328	507,669	208,967	41.2	28,429	
Superior, Tex.	381,571	122,507	32.0	224,296	66,851	21,943	109,925	12,046	51,333	10,179	153,462	78,339	157,276	98,605	63.6	...	
Tenn. Odin	617,292	187,859	36.1	78,015	76,284	27,755	261,383	55,848	110,206	64,508	69,440	39,762	435,277	150,822	34.4	30,085	
Trader & Gen.	818,975	335,203	40.9	194,270	135,156	52,429	307,081	62,180	129,356	68,045	247,433	151,549	624,705	270,002	43.4	122,228	
Trinity Universal	3,604,689	1,737,768	48.2	416,689	727,584	319,165	1,162,747	348,935	583,602	315,261	1,130,976	754,407	3,188,000	1,273,068	43.1	—26,500	
United Pacific	3,421,835	1,894,741	55.4	129,588	408,353	169,573	1,590,095	794,955	613,004	387,438	810,282	542,750	3,292,247	1,383,288	41.5	521,259	
Wolverine	2,447,794	974,652	40.0	287,900	358,912	155,607	863,069	198,344	441,356	190,593	784,457	430,108	3,159,894	781,906	36.3	9,603	
West American	75,142	131,821	—	209,109	10,944	17,489	27,490	22,903	13,683	18,372	23,025	73,057	284,251	326,616	131.5	522,636	
Total	69,352,047	30,792,338	44.4	11,745,490	9,752,821	3,712,867	27,703,011	8,863,065	13,368,562	6,748,109	18,627,517	11,507,290	57,606,557	22,853,647	39.6	5,447,919	

Production Wonderful But Results Poor in 1945

(CONTINUED FROM PAGE 2)

erty damage ("A," "A-1" and "B" classes) now applies in all states except Massachusetts, Texas, Louisiana and New Hampshire. There seems to be some feeling that the details of the classification are too burdensome and there is in evidence some desire for flat rates. It is necessary in fairness to the insuring public, to keep away from flat rates and continue to use a rating system which furnishes a low rate for the low exposure business. The group of car owners represented by the "A-1" class is a preferred group as demonstrated by the fact that during the pre-war years this class developed an experience warranting a reduction of more than the previous 25%. The new rates recognize this prewar indication. Companies are disturbed at the increase in the percentage of risks falling into the "A-1" class. In prewar days, the countrywide distribution of business was approximately — "A-1" 25%, "A" 59%, "B" 16%. Currently, the percentage in the "A-1" class is much higher than before the war. The abrupt cessation of the rationing of gasoline has brought about tremendous increases in the mileage traveled by many insureds. It is felt that the average individual probably cannot picture himself as jumping from an average of less than 1,500 miles per year into the over 7,500 miles-per-year-class. This is no doubt temporary and will right itself as time goes on.

Commercial car rates for bodily injury and property damage have been adjusted upward and a new method of determining load capacities has been made effective in most states. It is well known that the advertised load capacity has meant little or nothing as to the actual load carried. Moreover, certain truck manufacturers have discontinued advertising load capacity. To improve this situation, commercial automobiles from the standpoint of load are now being rated on the basis of the registered load capacity as used in obtaining licenses from the state. Registered load capacities are not determined on a uniform

basis by all states, varying by the gross weight, the capacity of the vehicle, the net or unloaded weight or the chassis weight. The registration requirements in each state will be known to producers and it will be a simple matter for the registered load to be obtained from the registration certificate. To simplify the rating, the light, medium and heavy load capacities have been merged into two.

In addition, all commercial automobiles not classified as truckmen, customarily operating beyond a 50-mile radius of the city or town of principal garaging are subject to a small percentage surcharge. There will be no restricted operating endorsement on the policy. The purpose of the surcharge is to better recognize the difference between trucks engaged in local hauling and those going substantial distances. The use of the surcharge will also enable the experience to be separated to determine just what the charge should be in the future.

There has been some agitation for a change in the rules to permit bodily injury and property damage to be written for more than 12 months in order to tie in with the comprehensive and collision insurance on financed cars. This has an important bearing on the development of the bank and agent auto plan. The matter comes at an unfortunate time in view of the expected rate inadequacy. Consideration is being given to this situation.

At present, automobile assigned risk plans are in effect in 21 states. Such plans are a necessary adjunct to automobile financial responsibility laws. The experience of automobile assigned risks in the majority of states is unsatisfactory as is to be expected. No changes are contemplated in the premium charges or rates applicable to assigned risks, other than manual changes. These assigned risk plans must be administered as broadly as possible in order that all risks reasonably entitled to insurance can obtain it from the existing insurance markets.

In spite of the underwriting loss of 1945 and the expected unfavorable results of 1946, there is every reason to be optimistic about automobile business for the long pull. The line has been prof-

itable in the past. Rates will adjust themselves in the future so that the business can be conducted satisfactorily and profitably.

Safety Will Be Chief Auto Problem of Next 5 Years

(CONTINUED FROM PAGE 24)

remarkable example along this line. In this connection, it cannot be over-emphasized that the attitude of the public and their responsibility in control must be brought home. Agents can do much locally to effect this result.

The insurance industry would prefer to keep premiums low, so as not to make automobile insurance a luxury. It should be within the price range of all automobile owners, so that the unfortunate victims of automobile accidents may be helped financially with hospital, doctor and other bills.

The accident problem will be solved. It is not an overnight proposition but one calling for minute planning and the constant hammering away at all details, day in and day out, locally and nationally, by everyone. No one item will solve the problem. All must be followed through. No one wave can batter down the rocks; it is the eternal pounding of the surf that wears away the shore line — so it will be with accident control.

It is important to remember that when a rate is reduced as was the case during the war, say 50%, in order to return it to its former level the in-

crease must be 100%. Even a small percentage increase now will produce quite a bit in the way of premiums.

There is nothing in the present situation to warrant uneasiness and certainly nothing that would account for any panic.

Air Accident Cover Good Field

(CONTINUED FROM PAGE 12)

who test these aircraft and the technicians and engineers who fly in the course of their work in the development of aircraft. Manufacturers of instruments, accessories or parts that go into the finished aircraft will find aviation accident insurance necessary for such of their employees as must fly in the marketing, servicing and improvement of their products. Airplane dealers will frequently wish to provide accident insurance for those prospective buyers who fly in their planes during demonstration. Aviation schools of various types are providing for aviation accident insurance either under group or individual purchase plans. Airports springing up everywhere are themselves prospective purchasers of aviation accident insurance and form a logical source of information concerning other prospects.

In conclusion, we cannot urge too strongly that producers investigate the new business possibilities lying in aviation accident insurance. It has not been unusual for underwriters to see agents and brokers having no previous contact with aviation accident insurance become acquainted with the few simple rules needed to make a proper presentation and then sell an important client in their first presentation. Experience has then shown these producers that they can make sales in better than 50% of their solicitations both among their present insureds as well as their prospects. What experience has already shown to be true with respect to producers presently pushing this line of insurance, should be equally true for those beginning to push it now. Aviation, for all its current gigantic size, has only begun to grow and aviation accident insurance will grow right along with it.

One Of The West Side's Largest & Best Equipped Shops Specializing in Insurance Work

Complete Rebuilding

Latest Equipment Including
Two Frame and Axle Straightening Racks
Dynamic and Static Wheel Balancer

Quick Service—Low Cost—Guaranteed Work



Under Supervision of
"CLIFF WOODBURY"
Nationally known race car builder
and driver.

WOODBURY BROS., INC.
4918-4926-8 W. Madison St.

Mutual Premiums Soar 22.3%; State Farm Close to \$40 Million Mark

Mutual companies of all types in 1945 developed automobile written premiums of \$194,534,719, surpassing the 1944 production by 22.3% and going ahead of the previous peak year of 1941 more than \$30 million.

The companies classified as full cover, that is the institutions that write under a single charter bodily injury liability and the material damage lines including comprehensive as well, went above the \$100 million mark in premiums written, the exact figure being \$101,112,664.

Mutual casualty companies which confine their automobile writings to the third party line and collision, rolled up premium volume of \$74,937,159 while the companies in the fire classification and which do not write B.I. had premiums of \$18,484,896.

The \$20,364,192 increase in premiums of the full cover mutual group amounted to an improvement of 25.2%. Mutual casualty company premiums went ahead \$11,889,919 for a gain of 18.9%, while the automobile premiums of mutual fire companies registered a gain of \$3,253,126 or 21.4%.

The overall loss ratio of the mutual companies on premiums written and losses paid was 41.7. The total amount of losses paid was \$81,168,836, being divided: Mutual full cover \$44,616,772, mutual casualty \$28,830,102 and mutual fire \$7,721,962.

In 1944 the mutuals had total losses of \$62,735,359 for a ratio of 39.9.

The loss ratio of the full cover group was 44.1 as compared with 40.7 the previous year.

The loss ratio of the mutual casualty group deteriorated by only .9 percentage point being 38.5 as compared with 37.6 in 1944.

The loss ratio of the mutual fire group was 41.7 compared with 39.8.

The less favorable experience of the full cover group is attributable to the collision line which on premiums of

the leading mutual auto insurer and the State Farm group comprising the parent company and State Farm Fire has the largest automobile premium income of any group of any type in the country.

In 1945 State Farm came within hailing distance of setting a new record. It was within \$900,000 of producing the largest automobile premium volume that

of all types of companies.

Its rate of gain last year was 27.5%.

Lumbermen's Mutual Casualty retains by a wide margin its hold on second place with a splendid premium gain of 24.5%; Liberty Mutual continues third, but Farm Bureau Mutual of Ohio with a smashing gain of 32.5% is knocking at the door. Hardware Mutual Casualty is again No. 5 but Auto Owners of Michigan crowded State Auto of Ohio out of sixth place. Utica Mutual is again No. 8 and American Mutual Liability No. 9. Employers Mutual Liability brings up the big 10 in place of Michigan Mutual Liability which was in tenth position last year.



"You mean you drive like that and don't carry property damage insurance?"

TEN MUTUAL AUTO LEADERS

	1945 Prems. \$	1944 Prems. \$	Pct. Change	1943 Prems. \$	1942 Prems. \$	1941 Prems. \$
1. State Farm Mut.	38,752,523	30,390,064	27.5	26,392,840	25,645,903	25,054,672
2. Lumb. Mut. Cas.	17,803,722	14,300,049	24.5	13,040,053	15,458,889	18,327,283
3. Liberty Mutual	12,221,408	10,964,877	11.5	10,404,141	14,178,920	14,568,502
4. Farm Bureau, O.	11,411,571	8,611,388	32.5	7,471,839	8,359,696	7,618,320
5. Hard. Mut. Cas.	8,228,428	7,194,969	14.4	6,508,653	8,061,027	8,483,905
6. Auto Owners	5,417,958	4,434,449	22.2	3,774,603	3,693,586	3,573,616
7. State Auto, O.	5,220,509	4,855,506	7.7	4,585,275	4,502,851	4,920,604
8. Utica Mutual	3,885,992	3,580,536	8.5	3,350,039	4,338,661	3,965,611
9. Amer. Mut. Liab.	3,666,433	3,454,778	6.1	3,076,355	4,071,957	4,151,162
10. Empl. Mut. Liab.	3,639,887	2,672,401	36.2	2,337,511	2,636,741	2,460,160

\$30,156,793 gave a ratio of 64.5 as compared with 59.9 in 1944. On B.I. the mutual casualty group had a ratio of 33.9, while that of the full cover group was but 27.1. On property damage the mutual casualty ratio was 50 and that of the mutual full cover was 52.2.

State Farm Mutual Automobile of Bloomington continues at its breathtaking pace in automobile insurance sales, its 1945 premiums amounting to close to \$40 millions and thus the Bloomington company will go down as having produced the largest volume of annual automobile insurance premiums of any company in history.

State Farm accounted for 38% of all the premiums of the mutual full cover companies last year and, for about 20% of all mutual automobile premiums and for about 4.8% of automobile premiums

has ever been accounted for in a single year by a single insurer. General Exchange in the great automobile year of 1941 had premiums of \$39,620,518. There can be no doubt that in 1946 the premiums of State Farm will be well into the \$40 millions and thus the Bloomington company will go down as having produced the largest volume of annual automobile insurance premiums of any company in history.

State Farm accounted for 38% of all the premiums of the mutual full cover companies last year and, for about 20% of all mutual automobile premiums and for about 4.8% of automobile premiums

Auto Premiums and Losses of Mutual Full Cover Organizations

	1945										1944									
	Total Prems. \$	Losses \$	Loss Ratio %	Inc. or Dec. in Prems. \$	Fire, Theft & Comp. Prems. \$	Losses \$	Liability Prems. \$	Losses \$	Property Damage Prems. \$	Losses \$	Collision Prems. \$	Losses \$	Total Prems. \$	Losses \$	Loss Ratio %	Inc. or Dec. in Prems. \$				
Abbey Cas. D. C.	146,363	39,897	26.8	75,464	17,521	....	59,743	29,173	21,448	9,193	47,661	1,531	70,899	13,631	18.5	—312			
Alliance Mut. Cas.	276,000	100,766	36.2	113,250	112,817	43,326	31,446	13,716	9,273	63,783	34,451	162,750	60,252	37.0	—2,914					
Allied Mut. Cas., Ia.	1,267,677	440,108	34.9	318,997	236,806	74,431	44,318	118,844	26,476	90,402	321,777	156,431	948,680	288,863	30.5	98,855				
Allied Mutual, Mo.	37,388	17,506	46.0	—1,655	....	12,339	944	5,907	2,900	19,142	13,662	39,043	16,517	42.2	12,239				
Am. Farm. Mut., Ia.	76,972	12,058	15.6	—3,366	6,159	795	41,459	4,035	20,231	4,310	9,123	8,343	20,098	2,098	10.1	—1,132				
Am. F. M. Mut., Minn.	617,242	179,394	29.0	244,396	40,827	12,428	302,990	62,878	138,092	35,117	125,333	67,961	372,846	131,193	35.3	—16,922				
Am. Mutual, Ia.	88,595	47,738	53.9	32,841	22,729	10,650	8,571	....	....	57,349	37,138	56,754	30,783	54.0	—15,931			
Auto-Owners, Mich.	5,417,988	2,186,926	42.2	983,539	695,352	216,734	1,939,275	515,831	1,223,637	488,679	1,559,723	885,682	4,432,753	36.9	659,546					
Badger St. Cas., Wis.	94,518	14,193	14.9	43,259	6,853	1,107	31,327	7,343	19,246	5,004	5,761	735	51,259	15,055	29.4	—4,887				
Beacon Mut. Ind., O.	549,124	217,311	40.0	85,597	84,170	30,739	166,384	27,064	113,193	63,181	185,381	96,327	463,127	201,677	43.4	26,114				
Celina Mut. Cas., O.	37,178,179	630,157	40.0	119,082	201,261	86,573	295,113	165,797	299,806	182,132	347,999	215,655	1,259,097	1,057,818	34.7	—16,922				
Cent. Mut. Cas., Mo.	297,940	124,966	41.8	77,446	59,723	28,108	115,745	25,510	39,380	20,603	83,092	50,744	220,494	88,828	40.2	—38,986				
Cent. States Mut., Ia.	101,518	39,984	38.6	7,348	24,288	11,762	29,104	8,743	22,210	10,153	25,916	94,170	42,069	44.8	—88					
Checkers M. Au. Mich.	179,851	99,222	55.3	77,577	8,042	2,362	66,762	26,778	47,740	19,060	57,307	52,032	102,474	130,232	32.7	—16,888				
Chi. Ic. Produc., Ill.	46,519	16,903	36.7	3,478	5,000	410	25,628	9,767	13,214	5,629	2,677	4,097	43,041	3,101	4.8	—5,145				
Citizens M. Au., Mich.	1,590,347	591,184	37.1	126,410	271,379	105,755	552,084	92,561	334,150	94,958	432,734	297,870	1,463,927	507,705	34.2	—571				
Com. Bank. Mut. Cas.	140,362	62,122	44.3	55,398	30,010	9,301	10,128	4,717	63,723	37,266	36,502	10,333	74,969	63,056	84.4	—2,940				
Cook Co. Farm., Ill.	68,646	28,870	42.0	1,900	7,720	1,227	22,647	4,578	11,272	5,919	27,007	17,147	66,726	17,001	25.6	—4,400				
Cooperative Cas., Mo.	—78	1,602	....	....	....	....	....	....	....	120	....	1,481	30,628	695	....	—32,165
Coop. Mut., Wis.	376,054	77,171	20.5	150,766	33,422	8,363	203,399	19,972	87,248	26,180	51,485	22,666	225,288	64,030	31.6	—27,763				
Emp. Mut. Cas., Ia.	3,245,176	1,461,475	42.7	901,219	474,834	198,258	1,437,453	422,995	680,917	392,174	751,972	447,018	2,443,857	951,964	39.9	—150,385				
Farm Bu. Mut., Ind.	1,251,000	530,000	42.4	223,839	122,000	47,000	394,000	90,000	189,000	35,000	536,000	308,600	1,027,161	877,219	36.7	—7,481				
Farm Bu. M. Au., O.	11,411,871	5,494,658	48.2	2,800,453	381,220	100,014	4,535,553	1,387,089	2,307,989	1,299,869	4,187,109	2,707,686	8,611,358	3,920,527	45.5	1,193,540				
Farm Bu. Mu., Kan.	593,641	325,039	55.6	136,944	87,565	218,487	67,825	67,825	62,910	37,598	222,679	156,607	454,697	218,645	47.4	7,145				
Farm Bu. M. Wis.	179,200	57,882	31.9	55,820	12,763	3,117	94,672	12,289	25,033	12,257	46,732	30,219	123,380	28,978	22.7	—46,939				
Farm Mut. H. Ia.	347,355	157,650	45.2	48,463	30,481	32,056	128,862	38,161	69,259	34,302	68,753	53,131	298,892	177,672	59.7	—141,194				
Farm M. Au., Wis.	3,451,698	1,179,847	33.9	1,365,436	364,980	127,956	1,802,056	404,121	677,300	270,572	607,362	377,198	2,056,262	727,611	34.9	—403,988				
Farm M. L. Lab., Ind.	713,394	246,486	48.5	—276,306	166,745	25,163	229,382	50,774	161,929	47,914	215,328	212,635	989,700	227,091	32.0	—274,383				
Farm Un. M. A. Ia.	273,693	103,968	37.9	43,676	60,931	21,597	53,391	24,294	61,873	25,678	57,498	32,399	230,017	83,259	36.0	—4,301				
Fidelity Mut., Ind.	446,204	146,342	33.2	39,850	47,889	19,114	180,546	41,206	106,911	32,123	110,859	54,899	406,354	115,655	28.6	—104,843				
Frankenmuth, Mich.	434,096	229,329	52.8	91,867	72,214	28,295	187,086	28,615	87,229	52,922	137,567	107,497	342,229	200,436	58.7	—44,817				
Grange M. Cas., O.	407,795	220,903	54.1	43,653	45,299	19,127	144,845	51,325	86,164	49,231	131,687	102,707	244,142	162,239	44.5	—20,115				
General Mut.,																				

(CONT'D FROM PRECEDING PAGE)

1945 Auto Premiums and Losses of Mutual Casualty Companies

Inc. or Dec. in Prems.	1945												1944												1943					
	Total				Liability				Property Damage				Collision				Total				Liability				Total					
	Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.	Net Prems.	Paid Losses	Net Prems.	Paid Losses	Net Prems.	Paid Losses	Net Prems.	Paid Losses	Net Prems.	Paid Losses	Net Prems.	Paid Losses	Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.	Net Prems.	Paid Losses	Loss Ratio	Total						
Amal. Cas. D. C.	225,245	65,837	29.0	50,380	158,367	48,991	62,908	16,846	3,970	—	174,865	36,709	20.8	74,830	100,035	29,782	25.6	155,566	134,550	71.1	—	—	—	—	—	—				
Amal. M. At., N.Y.	420,345	99,246	23.0	50,731	420,335	99,246	—	—	—	—	379,654	134,740	40.0	44,877	334,901	131,834	38,2	46,877	334,901	131,834	55.0	—	—	—	—	—	—			
Am. Mut. Liab...	3,666,433	1,761,933	48.0	211,655	2,664,966	1,120,074	810,480	491,368	191,017	150,491	3,454,778	1,441,966	41.1	378,428	3,076,355	1,361,777	41.0	318,538	329,558	78.5	—	—	—	—	—	—	—			
Atlantic M. Indem.	213,432	8,128	3.8	—	213,432	8,128	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Butchers Mut. Cas.	773,796	103,955	7.8	62,109	203,920	78,512	68,948	24,448	828	899	211,687	134,201	63.5	23,181	185,566	134,550	71.1	—	—	—	—	—	—	—	—	—	—			
Cheese Mak. M. C.	47,304	12,237	25.5	14,586	26,296	6,849	21,098	5,388	—	—	32,718	10,131	32.2	6,665	26,053	14,305	55.0	—	—	—	—	—	—	—	—	—	—			
Coal Mer. M. N. Y.	374,875	120,185	30.1	80,428	266,822	70,682	108,066	49,498	—	—	294,450	110,750	37.0	39,574	264,876	102,082	40.0	—	—	—	—	—	—	—	—	—	—			
Columbi. M. D. C.	50,463	20,967	41.5	10,837	36,090	16,683	14,353	4,284	—	—	39,626	10,112	26.0	—	9,211	46,947	18,383	46.3	—	—	—	—	—	—	—	—	—			
East Mut. M. Mass.	629,654	374,753	59.5	—9,034	593,769	317,157	35,885	57,596	—	—	648,688	295,281	46.5	318,838	329,558	256,887	78.5	—	—	—	—	—	—	—	—	—	—			
Elec. Mut. Liab...	71,733	21,101	29.4	2,989	50,894	10,301	10,300	—	—	—	65,744	12,884	17.6	25,122	43,622	26,094	59.3	—	—	—	—	—	—	—	—	—	—			
Empire Mut. N. Y.	74,869	316,902	42.3	130,783	739,517	316,714	8,352	188	—	—	617,086	249,604	40.3	68,299	548,784	271,656	49.5	—	—	—	—	—	—	—	—	—	—			
Empl. Mut. Liab...	3,639,887	1,609,229	44.2	967,486	2,270,867	736,714	855,461	548,822	513,559	323,765	2,672,401	1,184,228	43.4	334,890	2,327,511	1,060,325	46.3	—	—	—	—	—	—	—	—	—	—			
Equity Mut. Mo...	333,201	169,307	50.7	—	34,761	194,225	97,323	55,584	41,653	35,186	295,440	129,357	43.4	4,064	294,376	117,192	38.6	—	—	—	—	—	—	—	—	—	—			
Ex. M. Ind. N. Y.	414,224	162,247	39.1	7,049	297,412	99,177	116,812	63,070	—	—	343,578	163,123	47.5	6,864	336,711	130,920	38.7	—	—	—	—	—	—	—	—	—	—			
Fact. Mut. Liab...	2,344,331	590,285	25.2	—	205,227	1,517,457	316,067	518,719	174,408	308,156	99,819	2,139,004	497,556	23.2	73,728	2,065,266	476,224	23.0	—	—	—	—	—	—	—	—	—	—		
Farm. Bu. Au. N.H.	168,538	52,296	30.9	6,571	103,349	30,094	35,818	15,155	24,371	7,049	161,967	50,416	31.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Federal Mu. Liab...	12,674	1,098	7.9	5,632	9,170	1,098	3,496	998	—	—	3,142	1,587	21.1	573	6,569	3,531	38.4	—	—	—	—	—	—	—	—	—	—	—		
Goodville M. C. Pa.	155,458	22,289	14.2	7,100	91,986	4,668	63,472	17,621	—	—	145,358	16,100	19.8	3,781	144,577	18,316	12.7	—	—	—	—	—	—	—	—	—	—	—		
Hive. Mut. Cas...	8,228,428	314,192	38.3	1,023,439	4,634,393	1,410,565	1,900,165	848,206	1,693,870	690,349	7,194,939	2,431,432	33.7	686,336	6,508,653	2,155,339	38.1	—	—	—	—	—	—	—	—	—	—	—		
Harleysville Mut...	1,932,515	646,848	33.4	273,994	1,273,066	350,965	659,452	295,882	—	—	1,658,524	460,285	27.7	169,744	1,488,780	496,510	38.3	—	—	—	—	—	—	—	—	—	—	—		
Interboro Mut. ...	806,998	276,843	46.6	—1,022	597,430	252,450	295,568	124,398	—	—	308,820	14,712,351	21.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Ideal Mutual. N. Y.	122,739	19,663	16.6	—	84,109	4,000	38,630	15,663	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
In Hdw. Mut. Cas.	17,032	4,551	26.5	24,064	9,408	2,661	7,624	1,890	—	—	8,480	1,146,372	436,955	38.0	127,914	1,018,458	402,888	38.5	—	—	—	—	—	—	—	—	—	—	—	
Jamesstown Mut...	1,219,417	473,702	38.8	73,045	900,439	315,443	302,130	149,779	16,848	—	16,592	1,542	9.0	1,666	14,927	451,377	54.1	—	—	—	—	—	—	—	—	—	—	—	—	
Kaystone M. C. Pa.	3,182,200	825,768	61.1	449,269	2,188,628	430,457	588,778	343,462	114,794	51,998	1,712,351	370,334	21.6	1,075,781	637,150	319,726	56.0	—	—	—	—	—	—	—	—	—	—	—		
Liberty Mutual...	12,221,408	561,674	46.4	1,256,581	8,818,163	3,500,750	2,829,044	1,812,040	551,196	358,604	10,964,877	4,820,178	43.9	560,726	10,404,141	4,491,206	43.1	—	—	—	—	—	—	—	—	—	—	—	—	
Lorren's M. C. Ill.	17,803,736	6,476,506	36.3	3,503,687	11,425,418	3,837,226	4,356,031	1,961,450	2,022,287	677,730	14,300,049	4,898,947	34.0	1,259,736	13,040,683	4,664,570	34.8	—	—	—	—	—	—	—	—	—	—	—	—	
Lumber M. C. N.Y.	276,985	98,387	35.5	41,498	188,702	53,818	78,283	44,569	—	—	235,487	92,668	39.1	19,845	215,642	85,395	39.0	—	—	—	—	—	—	—	—	—	—	—	—	
Mahn. M. Au. Cas.	1,502,481	623,646	41.5	108,124	1,500,482	621,226	1,999	2,420	—	—	1,394,357	956,326	65.5	—	376,751	1,617,606	395,535	51.3	—	—	—	—	—	—	—	—	—	—	—	
Merch. Mut. Cas...	3,321,404	1,326,726	40.0	406,828	2,451,304	850,207	824,742	453,467	45,388	23,062	2,914,566	1,165,403	39.3	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Mt. States Mut...	95,784	23,169	24.1	43,510	79,866	11,984	15,918	11,185	—	—	52,274	6,597	12.4	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Mt. Cas. N. Y.	746	604	56.5	—	565	181	26	181	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
NL Grange M. N. H.	2,160,961	684,678	31.7	212,316	1,453,486	425,285	587,855	198,959	169,620	60,434	1,948,645	567,288	29.1	—	127,282	1,831,363	562,450	30.8	—	—	—	—	—	—	—	—	—	—	—	
Natl. Mut. D. C.	179,898	46,112	25.6	—1,989	104,103	26,197	74,590	18,822	1,205	98	181,887	53,542,297	37,977	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
N. Y. Prt. & B. M.	13,234	1,219	9.1	971	10,053	707	3,181	512	—	—	12,263	4,684	37.7	1,329	10,934	9,902	90.5	—	—	—	—	—	—	—	—	—	—	—	—	—
Patrons Mut. Cas.	5,449	3,392	62.3	2,524	5,449	3,392	—	—	—	—	—	2,925	4,114	143.0	—	—	2,990	—	58.2	—	—	—	—	—	—	—	—	—	—	—
PA. Th. & Farm.	1,351,699	455,562	33.7	432,217	905,531	234,673	446,168	220,889	—	—	919,482	357,235	38.8	90,750	826,732	372,683	44.9	—	—	—	—	—	—	—	—	—	—	—	—	
Publ. Mut. Indem.	52,837	19,615	36.5	7,171	36,322	9,498	16,515	10,117	—	—	45,666	12,611	27.6	—	1,751	47,417	7,282	18.6	—	—	—	—	—	—	—	—	—	—	—	
Public M. Cas. Mo.	67,028	34,436	51.3	—7,391	26,371	7,481	8,065	—	—	—	74,419	42.2	48.2	—	847	75,572	41,548	51.8	—	—	—	—	—	—	—	—	—	—	—	
Publ. Ser. M. C. N.Y.	1,506,067	669,841	44.5	—119,914	1,182,425	548,266	232,642	121,575	—	—	1,625,981	807,976	49.6	150,071	1,475,910	718,788	48.2	—	—	—	—	—	—	—	—	—	—	—	—	
R. I. Mut. Liab...	84,412	35,468	41.7	14,409	56,019	21,571	24,073	10,602	4,320	3,288	70,003	24,279	34.2	1,746	68,257	19,411	28.5	—	—	—	—	—	—	—	—	—	—	—		
Seaboard M. C. Pa.	119,996	26,628	21.9	59,663	72,234	19,708	43,824	6,920	3,938	—	60,333	15,276	25.2	—	12,791	47,542	1,887	3.9	—	—	—	—	—	—	—	—	—	—	—	
Secur. M. Cas. Ill.	244,203	111,471	45.5	—79,503																										

1945 Auto Premiums and Losses of Reciprocal Full Cover Organizations

(CONTINUED ON NEXT PAGE)

1945 Auto Premiums and Losses of Lloyds Full Cover Insurers

	1945								1944								
	Total Prem.	Losses \$	Loss Ratio %	In. or Dec. in Prem.	Fire, Theft & Comp. Prem.	Prem.	Liability Prem.	Property Damage Prem.	Collision Prem.	Total Prem.	Losses \$	Loss Ratio %	In. or Dec. in Prem.				
Assoc. Empl. Lloyds.	184,112	52,846	38.1	22,651	3,672	198	71,792	20,506	42,545	29,763	15,102	2,278	101,461	50,056	50.0	44.6	
Ft. Worth Lloyds.	123,995	55,166	44.7	29,766	24,841	9,613	43,459	14,798	15,468	9,172	37,217	21,583	94,229	39,843	42.3	44.0	
Liberty Lloyds, Tex.	40,950	15,482	37.6	11,577	7,112	2,520	17,117	8,147	7,170	1,905	9,551	2,510	29,373	4,011	13.7	24.9	
Lloyd's Cas. Ins.	155,225	45,238	29.0	77,812	21,695	4,822	85,145	15,787	36,265	4,552	12,172	22,572	87,450	34,757	39.0	44.3	
London Lloyds, Ill.	14,875	105,000	—	13,657	14,125	—	105,000	—	—	—	—	—	1,218	3,900	22.0	—	
London Lloyds, Ky.	121,294	83,866	27.1	27,152	191	—	91,074	29,464	30,429	4,492	—	—	94,542	59,802	61.0	—	
Minneapolis Lloyds.	1,268,580	560,133	45.0	318,592	212,058	85,336	522,517	180,954	259,371	115,710	264,634	177,933	949,988	421,105	44.5	46.3	
Southern Lloyds, Tex.	42,363	16,386	38.5	9,987	10,939	2,250	9,923	5,634	6,400	1,141	15,101	7,361	32,376	10,428	32.2	4.0	
S. W. Lloyds, Tex.	5,045	764	14.0	—	—	—	—	2,908	100	1,783	664	254	—	5,088	1,553	30.0	—
Texas Lloyds, Waco.	56,646	5,124	9.1	11,210	25,081	2,122	3,470	—	—	75	26,763	2,927	39,182	10,986	25.6	—	
Universal Lloyds.	93,709	23,528	24.7	—	5,029	—	51,771	11,615	19,192	4,090	17,807	7,822	—	—	—	—	
Western Lloyds.	12,965	11,159	132.6	—	32,471	4,689	4,873	1,730	4,469	584	1,288	5,962	8,529	45,436	20,350	44.4	—
Total.	2,070,177	930,688	45.0	582,544	329,432	111,534	911,540	394,474	424,539	172,735	404,663	251,916	1,512,367	670,589	44.3	—	

Automobile Results of Mutual Fire Companies Are Traced

	1945								1944								
	Net Prem.	Paid Losses	Loss Ratio %	In. or Dec. in Prem.	Net Prem.	Paid Losses	Loss Ratio %	In. or Dec. in Prem.		Net Prem.	Paid Losses	Loss Ratio %	In. or Dec. in Prem.		Net Prem.	Paid Losses	Loss Ratio %
Abington Mut.	17,957	2,509	15.6	1,162	16,794	6,653	39.6	26	N. Y. Cent. Mut.	80,527	39,806	49.4	1,189	79,338	34,157	44.4	1,18
Allied Am. Mut.	1,028,816	440,808	42.8	167,682	861,134	309,332	36.9	68,118	N. W. Mut. Fire.	102,987	60,611	58.8	—15,624	118,581	43,849	36.9	—16,0
Am. Mot. Mu., R. I.	3,039	1,631	53.8	—	—	—	—	—	N. R. F. Co. Dd., Mass.	132,710	64,230	42.1	6,9310	82,800	27,004	32.6	13,0
Asso. Merch. Mass.	6,376	4,261	66.8	1,972	4,403	3,203	72.8	—	Ohio Hdwe. M.	26,756	11,767	42.3	5,659	27,717	10,303	47.5	—2,0
Atlantic Mut., Ga.	72,526	21,137	42.9	39,049	33,477	16,524	49.3	—43.312	Oneida Coop., N. Y.	9,909	5,054	56.5	1,887	8,012	11,230	140	—
Atlantic Mut., N. Y.	173,154	57,487	32.2	92,862	80,292	34,070	42.4	20,513	Oregon Mut.	132,991	63,167	47.4	22,602	116,389	38,888	34.5	24.0
Atiboro, Mu., Mass.	3,049	562	18.3	—	—	—	—	—	Otsego	21,848	10,382	47.2	3,94	26,914	12,245	58.3	—
Austin Mut., Minn.	309	5	—	—	—	—	—	—	Palmetto Mut., S. C.	7,031	2,305	32.9	—	—	—	—	—
Auto. Mut., R. I.	549,601	92,294	16.7	—	39,538	589,439	91,120	15.4	Paramount, Md.	10,376	4,436	42.7	—	—	—	—	—
Auto. Mut., F., Pa.	72	—	—	—	42	30	—	—	Pawtucket M.	305,455	132,606	43.3	27,466	277,989	115,631	41.6	—
Bankers Mut., D. C.	28,510	8,637	22.4	6,990	31,532	8,625	27.4	—	P. L. L. Mut.	81,130	48,693	59.9	—10,877	92,007	44,519	47.8	—11,0
Berk. Mut. Fire.	235,159	98,349	41.8	163,781	71,378	22,397	31.4	—	Pa. Millers M. F.	549	—	—	295	344	—	—	—
Burlington, M., Vt.	35,296	7,143	20.2	6,970	28,326	6,508	22.9	—	Perkiomen M., Pa.	8,637	946	10.5	—	—	—	—	—
Cambridge Mut., M., Ws.	197,190	36,224	33.7	18,507	88,683	31,798	35.7	—	Phen. M., N. H.	25,932	5,943	20.0	4,716	21,236	6,615	31.0	—
Canton Coop., N. Y.	48,028	36,455	75.0	—	5,408	53,436	22,734	41.5	Pion. M., Mass.	17,072	11,956	70.0	419	16,653	25,226	151.0	—14,0
Capital Fire, Neb.	147,604	29,092	20.0	—	77,512	70,092	22,781	32.4	Pioneer Coop., N. Y.	51,622	26,048	50.4	6,153	45,469	26,697	57.7	3,0
Capitol M. F., Pa.	27,895	25,557	91.7	—	2,243	25,652	13,037	51.0	Pref. M., N. Y.	171,066	79,372	46.2	24,246	146,820	63,811	43.0	4,10
Carpenter Mut., Pa.	32,559	24,573	78.1	—	3,729	36,288	18,716	51.7	Protect. Nebr.	6,412	1,337	20.3	1,999	4,413	1,614	36.6	51.0
Cent. Mfrs. M. O. M.	1,069,743	432,351	40.4	155,661	914,082	336,799	36.8	—	Protect. M., Pa.	105,495	135,501	65.2	75,110	120,385	74,666	62.0	51.0
Cheese Mak. M. F.	5,035	3,179	63.0	—	1,530	3,505	865	24.6	Quincy, Mut.	283,619	128,443	45.2	53,565	230,064	97,483	42.3	13,0
Citizens Fd., Minn.	15,769	23,978	152.3	—	26,666	52,435	53,234	101	Refugee Mut. Fire.	80,527	39,806	49.4	1,189	79,338	34,157	44.4	—
City Mut. Fire, Pa.	9,871	8,101	82.7	—	4,058	5,813	1,148	18.8	R. W. Mut. Fire.	102,987	60,611	58.8	—15,624	118,581	43,849	36.9	—
Coml. Mut., Pa.	30,726	5,613	16.7	—	—	—	—	—	Redwood City, Calif.	132,710	64,230	42.1	6,9310	82,800	27,004	32.6	13,0
Coop. F., N. Y.	21,737	8,855	38.1	—	2,718	19,019	9,618	47.7	Rehoboth, Mass.	26,756	11,767	42.3	5,659	27,717	10,303	47.5	—
Detroit Mut., Auto.	2,755	618	22.2	—	4,644	7,399	305	4.1	Ridgefield, Conn.	10,576	5,673	58.9	—730	6,966	1,899	27.3	—
Donegal & Co., Pa.	73,646	22,117	30.0	15,144	58,502	29,345	50.1	1,577	Roxbury, Conn.	20,571	14,144	68.8	10,386	10,185	4,587	45.0	—
Dorchester Mut., Ia.	24,711	10,648	41.7	—	5,429	19,282	7,400	36.8	Roxbury, Conn.	15,147	7,749	23.7	7,928	76,327	21,298	27.7	11,0
Druggists Mut., Ia.	5,270	2,033	38.5	—	4,906	2,015	48.9	—	Roxbury, Conn.	36,446	13,898	36.1	15,095	21,351	14,390	67.1	—
Empire Coop., Ia.	55,642	26,697	47.3	—	25,193	29,739	20,958	68.9	Roxbury, Conn.	41,663	13,368	41.6	6,707	34,956	12,906	37.0	25.0
Empire M. F., Pa.	374,453	98,820	26.2	—	89,428	285,025	91,294	31.9	Roxbury, Conn.	80,929	10,946	42.9	8,962	50,061	19,475	32.7	23.0
Farmers Alli., Kan.	30,963	40,277	130.1	—	32,066	63,039	54,473	86.4	Roxbury, Conn.	349,006	109,746	31.2	131,629	217,319	77,785	35.7	22.0
Farm Bu. M. P. O.	1,077,677	478,241	45.0	—	422,098	605,579	55.8	96,349	Roxbury, Conn.	15,352	1,052	6.5	—	—	—	—	—
Farm Bur. M. N. H.	1,679	283	12.5	—	—	—	—	—	Roxbury, Conn.	8,966	6,664	74.2	1,311	10,277	6,091	59.6	—
Farm Un. M. S. D.	1,000	110	—	—	—	—	—	—	Roxbury, Conn.	36,810	12,450	33.7	6,630	30,180	12,347	41.0	—
Fed. Mut. F. Mass.	228,707	80,521	33.6	—	23,339	215,368	70,455	32.7	Roxbury, Conn.	8,704	8,704	—	—	—	—	—	—
Fitchburg M., Mass.	169,799	31,538	36.9	—	41,653	59,098	18,096	31.7	Roxbury, Conn.	15,957	11,523	36.3	2,919	13,038	9,679	69.2	47
Genl. Mut., Okla.	1,156	—	—	—	—	—	—	—	Roxbury, Conn.	789	246	30.8	510	1,299	609	47.2	—
Globe Mut., Mo.	1,144	1,367	110.5	—	—	1,50											

April 19, 1965

Loss Inc. or De
ratio in Prove
%
0.0 41.80
2.3 4.60
3.7 28.00
9.0 -12.40
0.0 -50
1.0 8.00
4.5 14.00
2.2 4.00
0.0 -90
5.6 29.00
...
4.4 -6.00
4.5 -26.00

Loss Inc. or De
ratio in Prove
%
4.4 1.10
6.9 -16.40
2.6 19.30
7.5 -2.40
0 30
4.5 26.30
8.3 -70
...
1.6 6.00
7.8 -19.30
...
1.0 -10
1.0 -14.30
1.7 2.80
0 4.30
1.6 110
5.0 58.80
3 12.20
...
-46.80
2 1.60
3 1.20
2 4.00
2 1.30
3 1.80
0 0
7 11.80
1 -1.70
8 2.80
0 22.00
7 21.80
7 22.70
6 -3.80
0 70
0 100.00
4 70
5 70
...
3 4.80
9 19.80
0 70.80
9 11.80
1 2.40
8 854.80

-12.80
546.90
2.80
5.20
70.60
456.91

-23.30
-6.20
4.70
1.30
-3.50
-22.40
-97.50
-183.70

taxis, 2.
.22, and
passenger

sales—the
ples from
4th St.

Stock Fire Motor Vehicle Premiums and Losses in 1945

(CONTINUED FROM PAGE 22)

1945								1944								1945								1944							
	Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.		Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.		Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.		Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.		Net Prems.	Paid Losses	Loss Ratio	Inc. or Dec. in Prems.							
Caledonian ...	337,456	193,653	57.3	\$8,319	257,137	180,272	70.1	8,688	Nat. Grange F.	138,193	37,951	27.5	4,120	134,073	24,513	18.2	11,018	Nat. Liberty ...	867,116	546,552	62.9	134,998	732,118	425,124	55.6	50,011					
California ...	251,998	143,170	56.9	40,271	261,727	109,087	54.2	17,728	Nat. Reins ...	8,891	6,554	73.8	—11,229	26,120	44,570	22.0	—6,038	Camden Fire ...	1,588,831	756,292	44.8	411,401	1,177,430	565,770	48.1	249,007					
Calvert Fire ...	2,365,495	2,075,087	90.6	516,106	1,789,389	1,303,784	72.8	514,133	Nat. Reserve ...	318,892	98,061	30.8	23,069	102,823	59,992	57.7	4,736	Canadian Fire ...	180,335	96,863	53.9	22,210	157,125	76,479	48.4	5,171					
Capital, Calif. ...	56,791	30,941	52.6	15,446	41,345	18,702	42.0	7,422	Nat. Sur. Mar.	161,888	48,002	29.9	—	—	—	—	—	Capital, N. H. ...	6,488	1,486	21.9	1,179	5,309	1,654	30.2	—5					
Capitol, N. H. ...	259,850	162,921	62.9	40,719	219,103	120,026	58.9	15,077	Nat. Un. Pa.	1,345,622	953,335	70.9	—	—	—	—	—	Caroline, Natl. ...	923	—	—	427	496	10	2.0	496					
Cavalier ...	742	—	89	12.0	237	405	24,804	—	Netherland ...	138,714	73,602	52.9	—	—	—	—	—	California ...	231,509	79,021	42.9	113,134	118,375	128,189	106.9	—248,545					
Cent. Sur. F. ...	46,757	35,366	76.1	6,745	40,012	8,950	22.3	29,744	New Brunsw. ...	389,782	245,771	62.0	61,123	328,659	180,096	59.3	45,792	Centennial ...	46,757	—	—	—	—	—	—	—					
Central ...	192,867	99,210	51.6	35,770	154,097	77,210	50.0	12,554	New England ...	71,187	44,953	62.4	9,851	61,336	34,590	51.4	—2,777	Colombia ...	187,221	86,976	46.5	59,749	127,472	64,015	50.4	14,800					
Century ...	104,567	63,297	60.6	19,566	45,001	48,202	56.4	8,644	New Hamp. ...	664,072	141,787	62.4	102,758	560,314	265,627	46.0	165,706	Chris. Gen., N.Y. ...	11,631	7,033	60.3	—168	11,799	14,707	127.2	2,123					
Citizens ...	38,374	18,951	50.0	8,475	29,899	14,688	48.3	—1,516	N. Y. Fire ...	191,900	97,961	51.1	—	—	—	—	—	City of N. Y. ...	259,892	163,247	62.9	40,765	219,197	132,359	60.3	16,015					
City of N. Y. ...	259,892	163,247	62.9	40,765	219,197	132,359	60.3	16,015	N. Y. Under ...	211,699	123,795	58.3	51,124	160,573	83,498	51.8	12,188	Colonial ...	22,936	7,128	30.4	8,745	14,191	9,808	69.5	6,924					
Colonial ...	22,936	7,128	30.4	8,745	14,191	9,808	69.5	6,924	New Zealand ...	96,074	96,877	57,005	55.6	200,256	767,621	360,383	47.5	169,849	Columb. ...	187,221	86,976	46.5	59,749	127,472	64,015	50.4	14,800				
Commerce ...	297,591	162,001	54.5	53,443	239,248	117,488	48.9	36,773	Newark ...	431,215	236,551	54.5	97,364	339,851	185,448	46.6	45,792	Com. Std. F. & M. ...	3,610	523	13.9	2,258	352	—	—	—					
Com. Std. F. & M. ...	3,610	523	13.9	2,258	352	—	—	—	New Eng. ...	71,187	44,953	62.4	9,851	61,336	34,590	51.4	—2,777	Conn. Un. N.Y. ...	14,191	7,033	60.3	—168	11,799	14,707	127.2	2,123					
Conn. Un. N.Y. ...	201,374	134,424	56.7	40,161	161,213	87,155	54.0	—5,011	Orient ...	386,513	189,913	49.0	4,000	179,990	266,523	107,541	51.9	—	Olympic, Cal. ...	822,300	305,695	57.1	—	—	—	—	—				
Conn. Un. N.Y. ...	201,374	134,424	56.7	40,161	161,213	87,155	54.0	—5,011	Pacific Coast ...	26,142	15,824	61.6	7,981	18,161	12,616	69.6	—7,291	Oriental ...	—	—	—	—	—	—	—	—					
Commonwealth ...	360,325	207,977	57.8	39,281	321,044	170,662	53.9	30,962	Pacific Natl. ...	532,121	349,746	65.6	14,532	517,589	264,707	51.4	—	Pacific Northwest ...	28,527	14,582	52.0	—	—	—	—	—					
Concordia ...	509,476	312,527	62.0	45,244	464,232	265,316	57.1	25,804	Palatine ...	141,332	80,281	56.8	2,205	113,127	61,198	53.9	—	Patriotic ...	199,662	135,671	67.8	24,923	174,739	89,095	51.1	7,466					
Connecticut ...	767,110	410,502	53.6	22,322	534,778	287,838	53.7	49,835	Paul Revere ...	173,252	108,984	62.9	27,172	146,080	87,500	58.8	10,469	Pearl ...	624,269	437,531	70.0	—18,801	644,070	365,164	56.6	21,111					
Constitut. Re. ...	4,159	910	21.9	—	2,391	1,768	39.7	—	Pennsylvania ...	734,139	421,127	55.0	11,414	672,725	342,040	50.8	23,599	Eagle Star ...	8,172	—	—	—	—	—	—	—					
Continental ...	2,329,199	1,454,254	61.1	162,211	2,166,988	1,561,870	62.8	258,773	Penn. Liberty ...	12,065	6,036	50.0	805	11,260	3,724	33.0	2,064	Eagle ...	1,454,254	162,211	61.1	—	—	—	—	—					
County Fire ...	46,194	23,926	52.2	7,677	38,617	19,755	51.1	4,776	Potomac ...	1,391,392	902,399	64.9	81,219	1,310,173	586,009	44.7	140,921	Empire State ...	294,419	188,958	64.3	48,148	246,281	146,281	44.5	65,591					
Fairborn Nat. ...	91,838	47,507	51.8	15,296	26,592	13,309	51.3	9,549	Preferred ...	179,999	85,821	47.9	8,255	171,744	75,306	43.8	54,477	Empire State ...	294,419	188,958	64.3	48,148	246,281	146,281	44.5	65,591					
Detroit F. & M. ...	91,838	47,507	51.8	15,296	26,592	13,309	51.3	9,549	Premier ...	947,016	73,323	102.7	—173,011	1,119,027	806,899	72.0	82,794	Fire Assn. ...	1,375,302	969,191	66.1	269,055	1,106,747	814,228	73.6	—					
Dixie Fire ...	36,368	20,951	55.6	9,409	26,959	16,213	60.2	—2,200	Provident ...	219,631	63,491	55.0	5,077	173,252	104,796	50.2	—	Fire Assn. ...	1,375,302	969,191	66.1	269,055	1,106,747	814,228	73.6	—					
Dub. F. & M. ...	744,081	228,809	30.7	504,161	289,920	144,822	60.2	—27,533	Royal ...	141,332	80,281	56.8	2,205	178,542	104,796	50.0	—	Fire Assn. ...	1,375,302	969,191	66.1	269,055	1,106,747	814,228	73.6	—					
Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—	Sou. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,126	38.9	—	Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—					
Eagle, N. Y. ...	81,440	50,308	61.6	8,283	73,157	59,776	55.9	—	St. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,126	38.9	—	Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—					
Eagle Star ...	8,172	—	—	—	—	—	—	—	St. P. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,126	38.9	—	Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—					
East & West ...	100,777	59.9	—	5,297	106,743	100,777	59.9	—	St. P. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,126	38.9	—	Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—					
Economy, O. ...	2,057,259	1,079,467	51.8	208,485	1,277,472	928,330	57.3	187,485	St. P. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,126	38.9	—	Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—					
Empire State ...	294,419	188,958	64.3	48,148	246,281	144,822	65.4	—	St. P. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,126	38.9	—	Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—					
Employers F. & M. ...	2,357,005	1,153,434	49.9	10,000	503,300	385,730	57.7	—	St. P. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,126	38.9	—	Eagle, N. J. ...	5,819	2,048	43.5	4,184	1,635	1,776	47.2	—					
Equit. F. & M. ...	153,422	82,100	55.6	46,467	106,955	57,667	53.8	9,966	St. P. F. & M. ...	219,631	101,113	17.2	21,379	171,227	72,																

Service Is Key to Bank-Agent Plan Success!

Service rendered by the agent is one of the main factors in selling automobile coverage under the bank-agent financing-insurance plan.

The wise assured knows that it pays to do business through an established agency, and that agency in turn, assumes the responsibility of selecting sound, long established companies.

When you place your automobile business through Great American Group Companies, you are providing your policy-holders with the best they can buy while at the same time you'll find that Great American Group facilities will save you time and effort. Seasoned and experienced automobile underwriters are ready to give you prompt and efficient service at Great American's conveniently located offices.

Great American
Great American Indemnity
American Alliance
American National
County Fire

Detroit Fire & Marine
Massachusetts Fire & Marine
North Carolina Home
Rochester American



ONE LIBERTY STREET, NEW YORK CITY

Western Department, CHICAGO

—

Pacific Department, SAN FRANCISCO

